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THE NORTHERN ECONOMY: Benefits, Problems and Prospects

Prepared for the Commission by
Paul Driben, Ph. D.

the ROYAL COMMISSION on the
NORTHERN ENVIRONMENT

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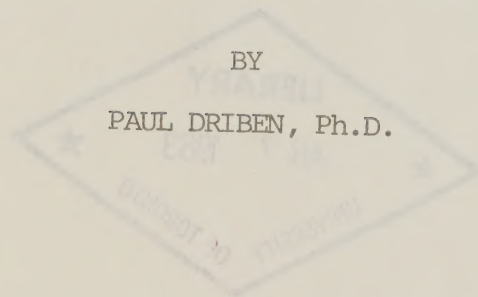
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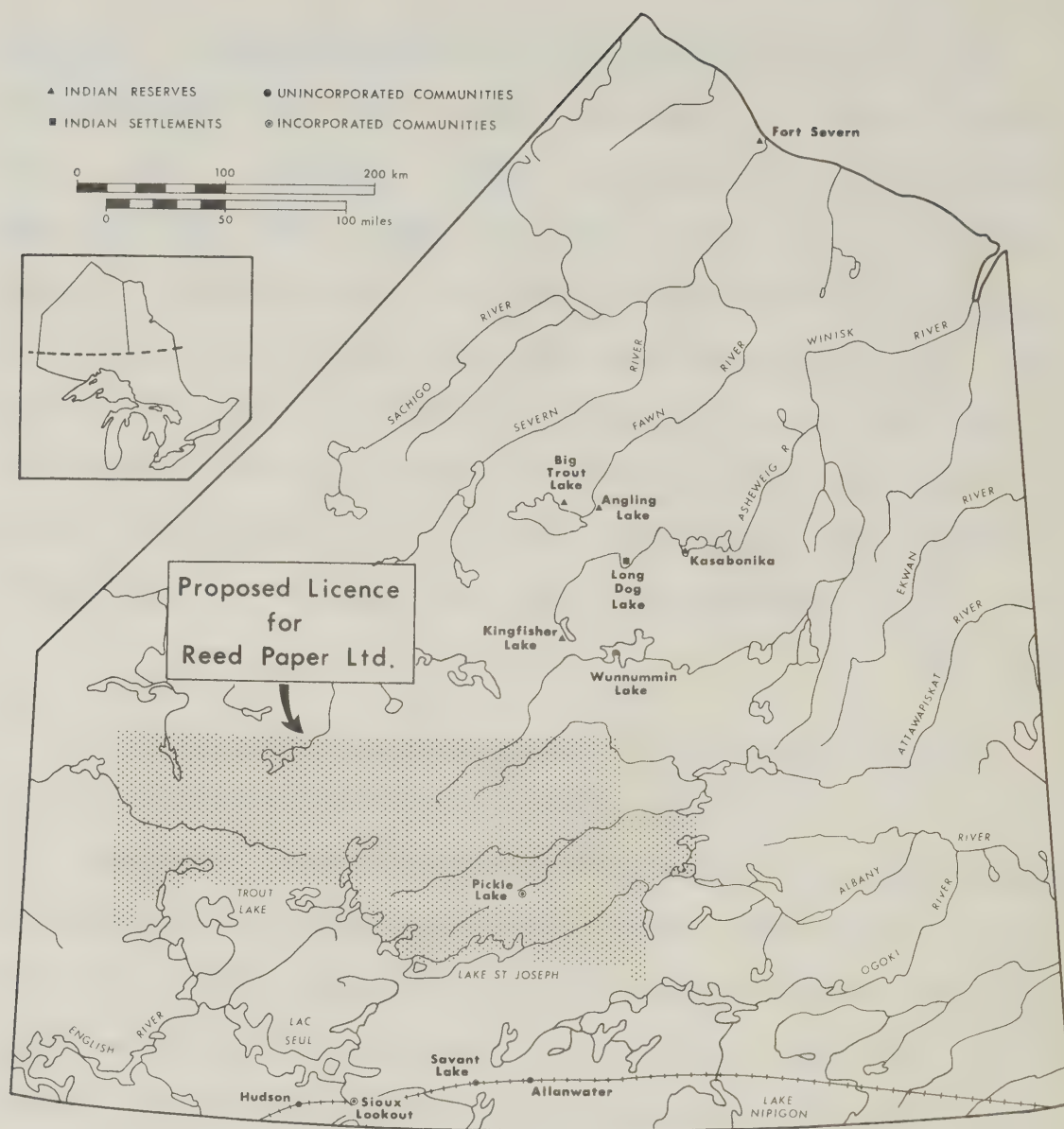
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CHAPTER ONE: INTRODUCTION

Towards the end of the last century people in southern Ontario began to complain about the way the provincial government was auctioning timber berths. They were concerned "the sales were too large, that they were made preceding elections for the benefit of political friends, and that they were being made too quickly and at too low a price." They also were upset because they felt the forest industry was producing far greater economic benefits for Americans than themselves. Since it was Ontario's forests that were disappearing they felt they were being treated unfairly.

During the 1970's a similar public outcry was heard in the north. The event which sparked the protest was a 1976 Memorandum of Understanding between the Government of Ontario and Reed Paper Limited concerning the company's proposal to build a pulp mill in the Ear Falls--Red Lake area, and feed it by acquiring the timber harvesting rights to an area containing part of the last, large uncut forest in the province (see Map 1.1).

At first Indian people were the most outspoken and persistent critics of the proposed development, and the nature of their complaints was decidedly political. They said they had been ignored in the decision-making process,



Map I.1 Proposed Licence for Reed Paper Ltd. (after Ministry of Natural Resources, 1981, West Patricia Land Use Plan, p. 26)

and that this was unconscionable since the undertaking would have a major impact on their lives. Grand Chief A. Rickard, speaking on behalf of roughly 15,000 members of Grand Council Treaty 9, put it this way in a presentation to a group of Ontario Cabinet Ministers in August 1976:

Any land and resource development in the north must be planned in consultation with our people. Such development will affect our economic well-being, for better or worse, depending on whether we have a full opportunity to participate in the planning and development process. The planned Reed Paper Company expansion . . . [is] an example of such development, which was initially planned without any consultation with our people.

Nor were Indians the only ones upset by the Memorandum of Understanding. Within a short time many people were drawn into the debate, which ultimately focused not only on the political and economic impacts of the proposed development, but on its social, cultural and environmental implications.

Although the Government of Ontario assured the public the Memorandum of Understanding was not binding, the fears it had raised did not subside. Provincial legislators were quick to appreciate the political ramifications, and after a heated debate in the Ontario Legislature the job of examining the complex question of northern development was assigned to the Royal Commission on the Northern Environment, which was established on July 13th, 1977.

THE RCNE'S MANDATE

The Order-in-Council which established the Commission directed it:

1. to inquire into any beneficial and adverse effects on the environment . . . , for the people of Ontario of any public or private enterprise, which, in the opinion of the commission, is a major enterprise north or generally north of the 50th parallel of north latitude . . . ;

2. to inquire into methods that should be used in the future to assess, evaluate and make decisions concerning the effects on the environment of such major enterprises;

3. to investigate the feasibility and desirability of alternative undertakings north or generally north of the 50th parallel of north latitude, for the benefit of the environment . . . ; [and]

4. to report and make recommendations to the Minister of the Environment from time to time and as expeditiously as possible with respect to the subject matter of the inquiry as the commission deems necessary and desirable to carry out the purpose of The Environmental Assessment Act, 1975.

The job of heading up the Commission was undertaken by Mr. Justice E. Patrick Hartt. Between November 1977 and February 1978 he held fifteen preliminary hearings, fourteen in the north and one in Toronto. The hearings were held to give the people of Ontario an opportunity to voice their concerns and express their opinions about the subject matter the Commission was investigating. The response was overwhelming. Over four hundred and fifty submissions were received, from men and women, young and old, industrialists, business persons and environmentalists, and from people

living in cities, towns and remote, isolated settlements.

The submissions were the basis for an Interim Report which the Commission published in April 1978 and an Issues Report released eight months later. In the Foreword to the Issues Report Mr. Justice Hartt wrote that:

Through the Commission's hearings, northerners advised the people of Ontario that conditions in their part of the province have altered in two fundamental ways. Firstly, the limits of some of our resources are in sight. Secondly, the people of northern Ontario are no longer content to see resources taken away from their home region without any thought given to the future or for the replacement or rebuilding of a productive environment.

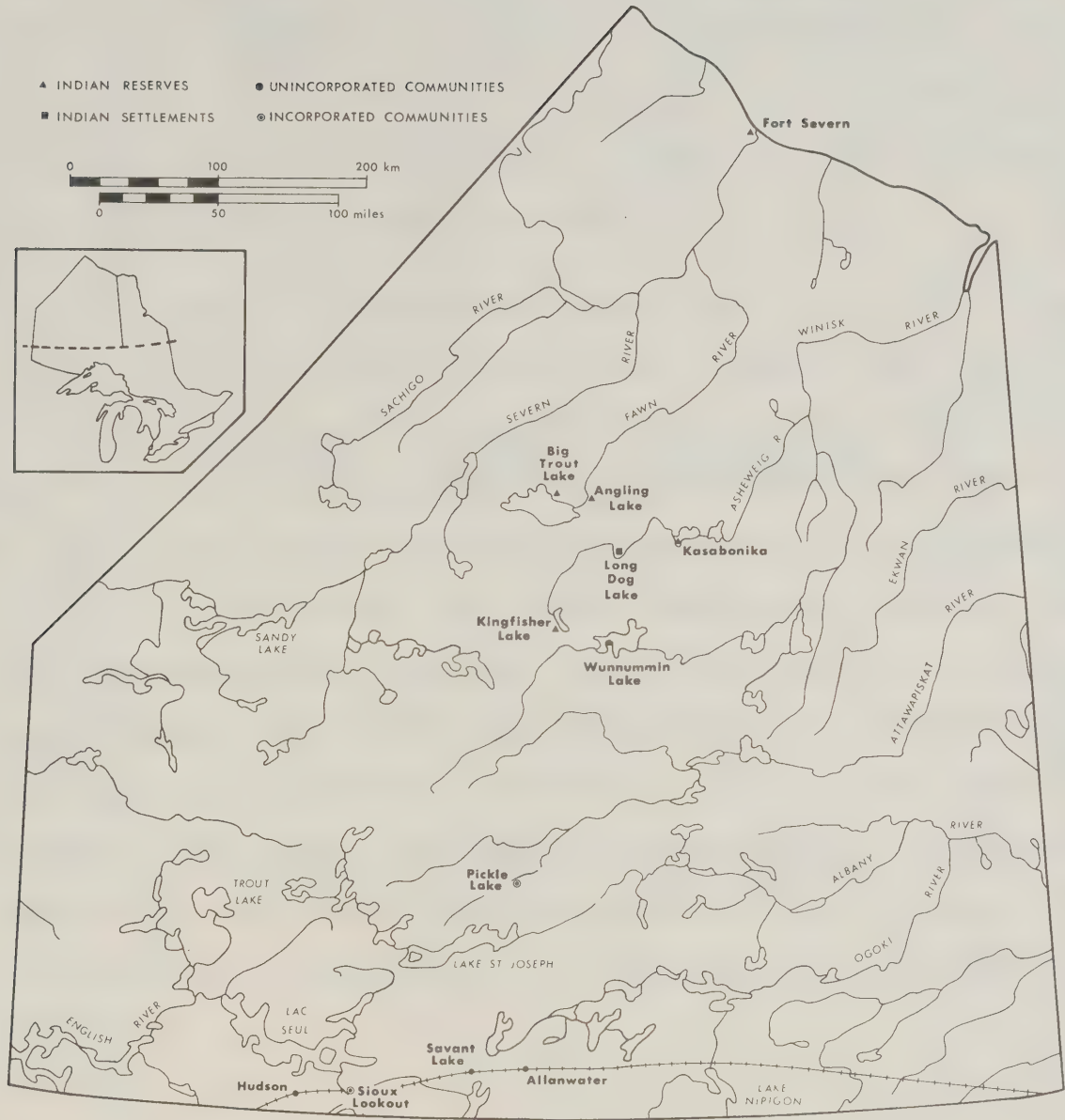
What northerners are talking about, it seems to me, is a pervading sense of powerlessness. Surely, it can be conceded that they understand their own needs better than anyone else. Yet northerners seldom are consulted and, if they are, it is all too often as a procedural device merely to make decisions already determined more acceptable publically. In a democracy, public policy cannot be formulated legitimately if the concerns and needs of those affected by that policy are excluded from meaningful consideration.

When Mr. J. E. J. Fahlgren succeeded Mr. Justice Hartt as Commissioner on August 2nd, 1978, he promised the Commission would do everything it could to solve these problems, especially when it came to discovering ways to help involve northerners in the decision-making process.

THE SCOPE AND NATURE OF THIS REPORT

This report is intended to facilitate that process. It deals with the economy of twelve communities in northwestern Ontario. The communities include six reserves, one Indian settlement, three unincorporated centres and two municipalities (see Map 1.2). The Indian communities are members of the Kayahna Tribal Area Council, one of six groups which form Grand Council Treaty 9. They decided to participate following discussions between the Kayahna Chiefs, the Treaty 9 executive and the Commission. The non-Indian communities, just south of Kayahna, were selected by the Commission. Around sixty-eight hundred people live in the communities (see Table 1.1), and although they are not a random sample they do represent some of the most important characteristics of contemporary northern society (see Appendix A).

The economies of these communities are not easy to categorize into a single type. Instead, there is a diversity of types ranging from single industry towns to communities that depend on hunting, trapping and fishing to support themselves. This presents a problem, for while it is certainly true that complex topics require detailed analysis, if an analysis is too complex it can hinder rather than help the public participate in the decision-making process.



Map I.2 Communities Involved in this Study

TABLE 1.1 ESTIMATED POPULATIONS OF THE COMMUNITIES INVOLVED IN THIS STUDY IN 1979 AND 1987

Community Type	1979 Populations	1987 Populations	Change from 1979 to 1987
<i>Kayahna</i> ¹			
Big Trout Lake ²	627	860	+37.2%
Kasabonika	414	648	+56.5%
Wunnumin Lake	296	427	+44.3%
Kingfisher Lake	241	406	+68.5%
Fort Severn	241	327	+35.7%
Angling Lake	179	281	+57.0%
<i>Totals</i>	1998	2949	<i>average</i> +47.6%
<i>Non-Indian</i> ³			
<i>Incorporated</i>			
Sioux Lookout	3006	3200 ⁵	+ 6.5%
Pickle Lake ⁴	930	2079	+123.5%
<i>Totals</i>	3936	5279	<i>average</i> + 34.1%
<i>Unincorporated</i>			
Hudson	583	583	-
Savant Lake	250	500	+100.0%
Allanwater	50	100	+100.0%
<i>Totals</i>	883	1183	<i>average</i> + 34.0%

1 The population estimates for the Kayahna communities were acquired from the District Office of the Department of Indian Affairs and Northern Development in Sioux Lookout.

2 The population of Long Dog Lake is included in the Big Trout Lake total.

3 The population estimates for the non-Indian communities were acquired from the Ministry of Northern Affairs, the Township of Sioux Lookout and the Township of Pickle Lake.

4 The population of Pickle Crow and Central Patricia are included in the Pickle Lake total.

5 The estimated population of Pickle Lake in 1987 was acquired before the closure of the UMEX Mine.

The present report attempts to overcome this difficulty by describing, in a non-technical way, one of the most important and yet neglected features of the northern economy, namely, the direct economic benefits it generates in northern communities. Hopefully this information not only will add to what the public already knows about the north, but will encourage people to speak out about northern development in an informed and constructive way.

The report contains six additional chapters. The chapter which follows focuses on a description of the environment in which the communities involved in this study are located. The next four chapters describe four sectors of the economy which, when taken together, include all the activities the people in those communities perform to support themselves. They are: (a) living off the land or using plants and animals for subsistence; (b) working for industry or commercial enterprises which serve markets outside the north; (c) working for business or commercial enterprises which serve local markets; and (d) working for or depending on government. The last chapter is devoted to conclusions.

DATA COLLECTION

Finally, it is worthwhile pointing out that the information on which the report is based was collected by Mamoatsokewin, the research arm of the Kayahna Tribal Area Council, and by the research staff of the Royal Commission on the Northern Environment. Mamoatsokewin collected its information primarily through formal and informal interviews, whereas the Commission concentrated on collecting numerical information and administering two surveys--one on trapping and another on business. The rationale for conducting a joint research program was twofold: firstly, to help ensure that the Commission and Kayahna were working with the same information, and secondly, to involve northerners in the study at the outset. Naturally, the interpretation of the information is the responsibility of the author, as are any omissions or errors. Nor does the interpretation necessarily reflect the views of either Kayahna or the Commission.

CHAPTER TWO: THE ENVIRONMENT

The northern environment can be divided into two parts--the human environment and the non-human environment, or people and natural resources. If either of them were undermined the northern economy would collapse. Uncontrolled economic development, without proper planning and a sound understanding of the physical and social characteristics of the environment would hasten that process.

This problem raises an extremely important question, namely, what measures should the Government of Ontario take to protect the physical and cultural integrity of the north. The government's answer has been to enact a number of laws to prevent or minimize damage to the environment by large-scale industries. The majority of these laws came into effect during the 1970's, when public concern about the quality of the environment encouraged the federal and most provincial governments to pass legislation which contained procedures for environmental assessment. In Ontario, the single most important law which tries to come to grips with this issue is the Environmental Assessment Act.

It is by no means a perfect law, and this has serious implications for the long term security of the northern environment as a whole. Some of these implications will be identified in the concluding chapter of this report. In the meantime, in order to set the stage for that discussion and the analysis of living off the land, industry, business and government, this chapter will focus on the key characteristics of the non-human and human environment of the communities involved in this study.

THE NON-HUMAN ENVIRONMENT

The Landscape

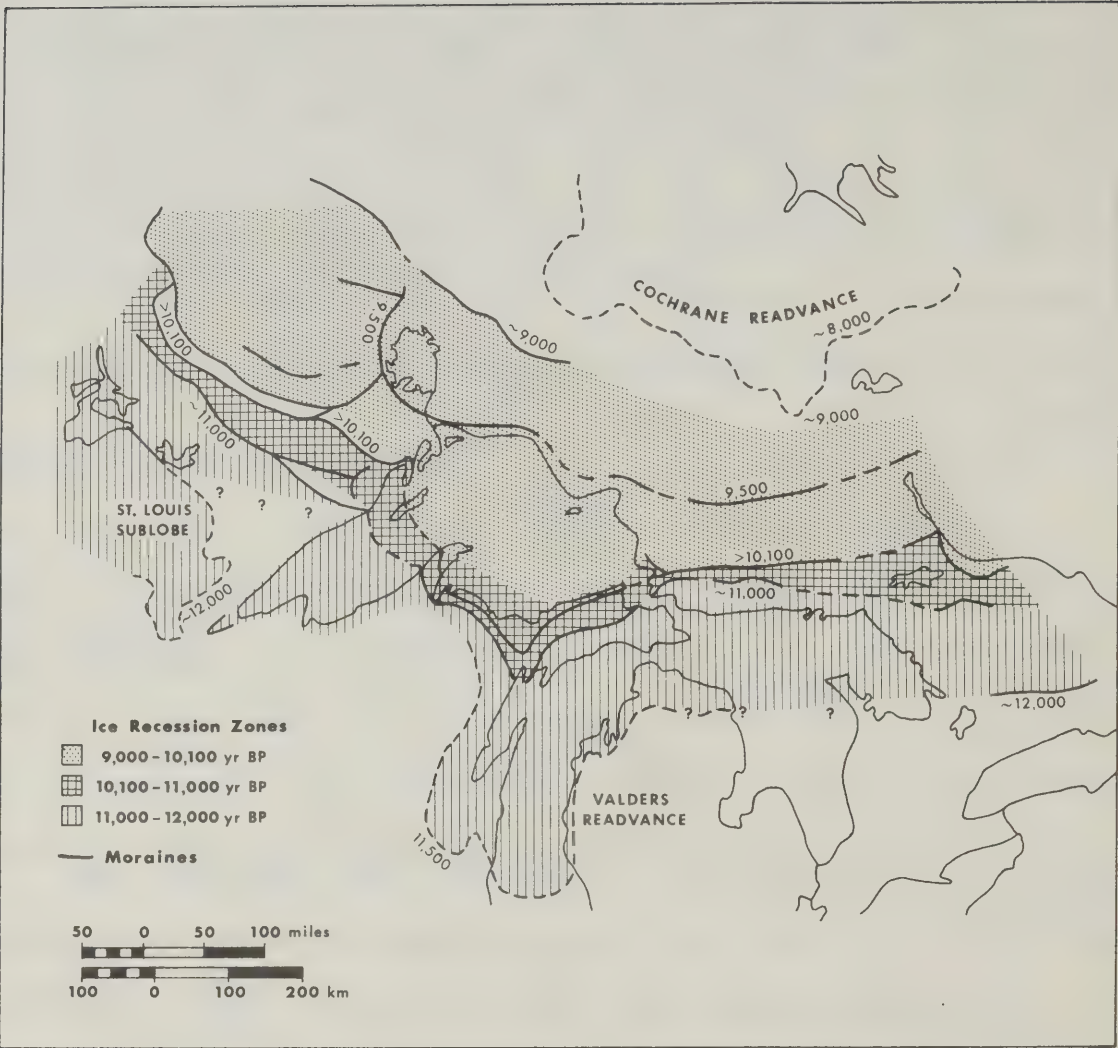
The surface and subsurface characteristics of the northern landscape are largely the result of glaciation during the last Ice Age. Around one million years ago the climate of northwestern Ontario became colder and glaciers formed in the north. These huge sheets of ice and debris weighing thousands of pounds advanced in a southwesterly direction, scraping and gouging the surface so that the existing landscape was completely rearranged. Low mountains, which had been present for perhaps three billion years, were levelled and replaced by ridges of sand, gravel

and stone called moraines.

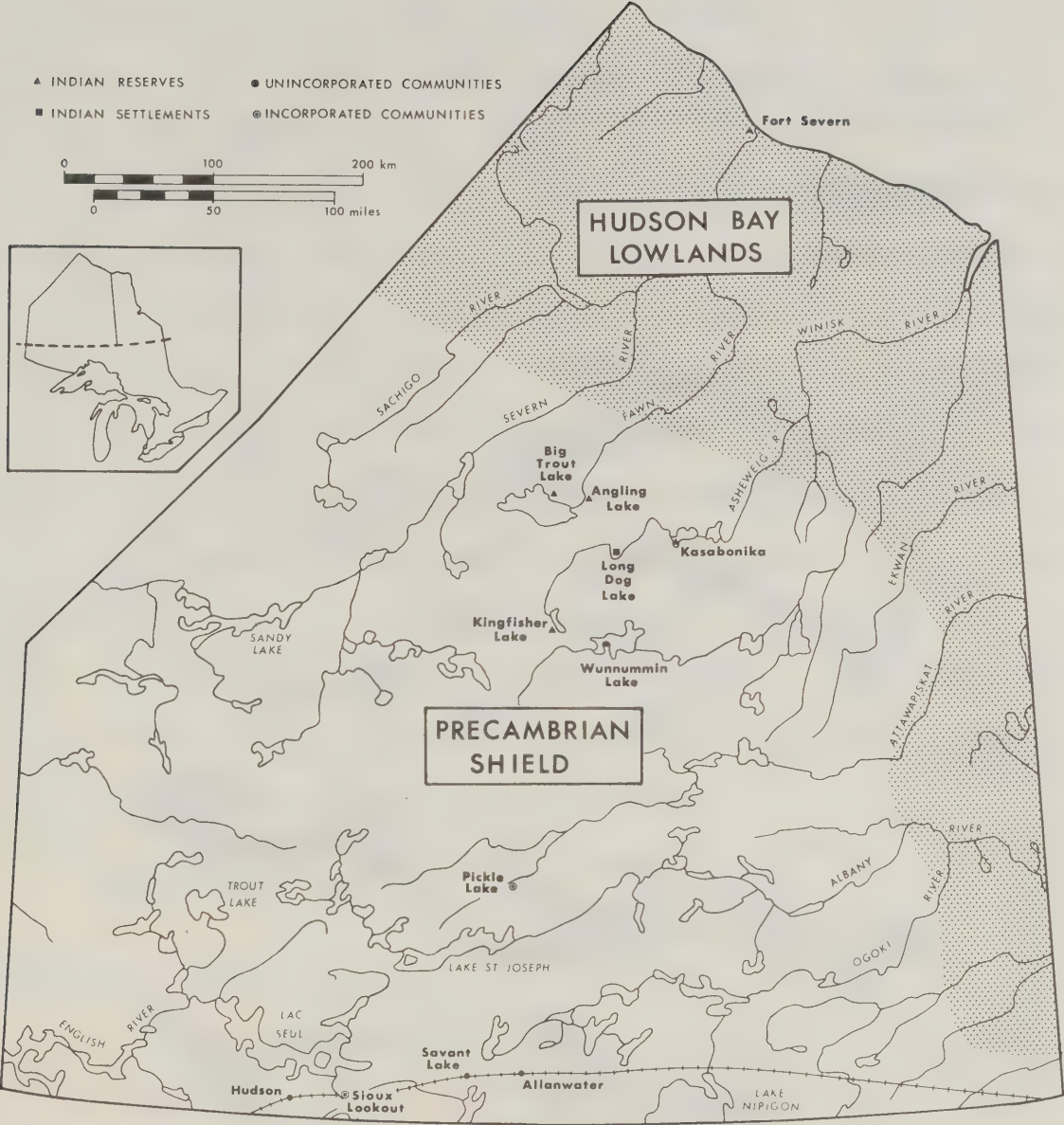
Much later, perhaps no longer than 12,000 years ago, the ice began to melt (see Map 2.1). The water that was produced settled into the depressions the glaciers had created and formed lakes, many of them supported by moraines. The impressive network of lakes that exists in the region today is the result of this process. The drainage pattern of the region has also been shaped by glaciation. Drainage is generally poor, and this is reflected by the presence of numerous chutes, rapids and falls.

Geologically, the region is divided into two main areas. Fort Severn, the northernmost community under consideration, is situated on the Hudson Bay Lowlands (see Map 2.2). The Lowlands is covered by a thin layer of sand, gravel and organic material, with shale and limestone below the surface. There is also a considerable amount of swamp, muskeg and bog.

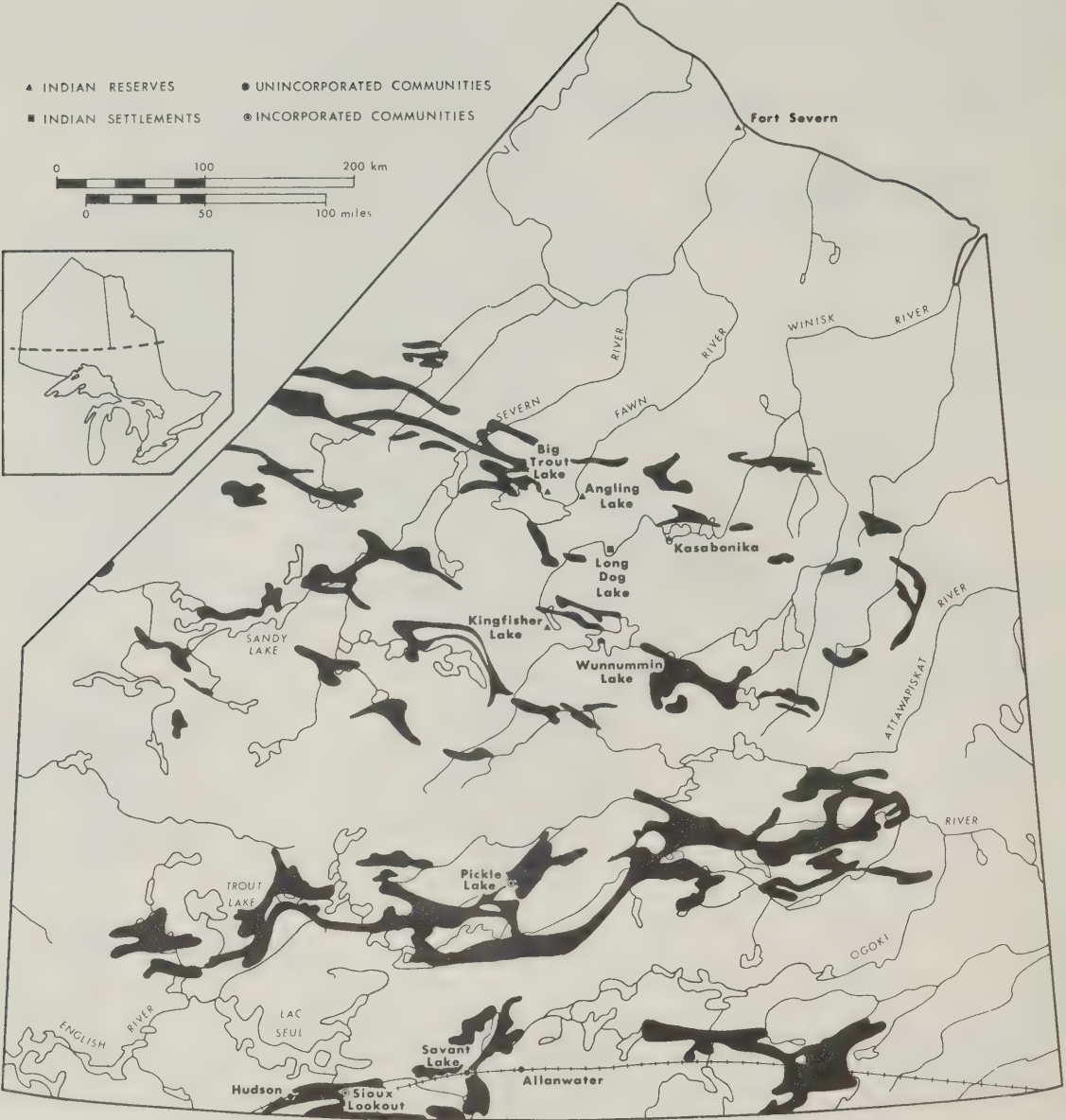
The other communities are located on the Precambrian Shield, which is composed of very old, very hard rock. The rock is made up of granites and granite-like material called gneiss, which are found at or near the surface since much of the original covering material was removed by the glaciers. Among the rocks are special mineral formations called greenstone belts (see Map 2.3). The belts are rich in ore and have long been associated with mining in the northwest.



Map 2.1 Ice Recession in Northern Ontario (after M. Saarnisto, 1974, Quaternary Research, p. 316-339)



Map 2.2 Physiographic Regions in Northwestern Ontario (after Energy, Mines and Resources Canada, 1974, National Atlas of Canada, p. 5-6)



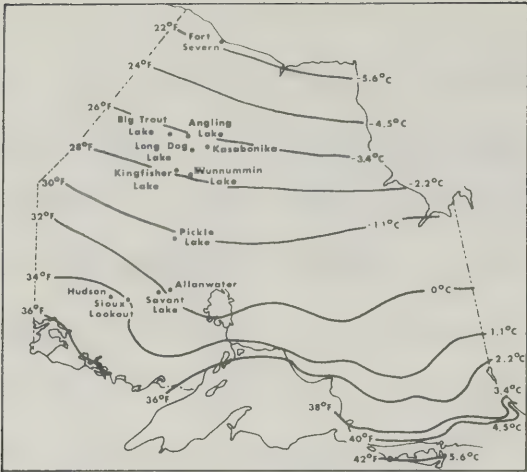
Map 2.3 Location of Greenstone Belts in Northwestern Ontario (after Ministry of Natural Resources, 1981, West Patricia Land Use Plan, p.7)

Climatic Conditions

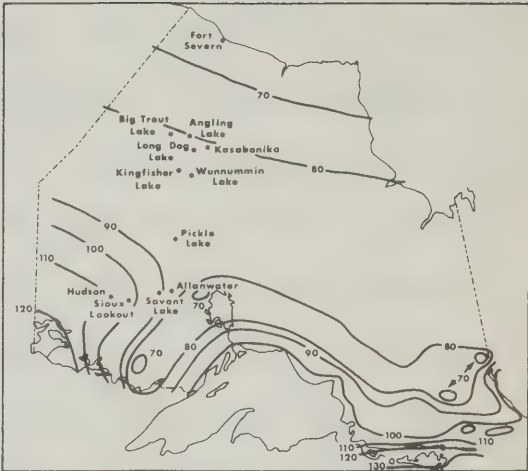
The climate of northwestern Ontario is also an important part of the non-human environment. Winters are usually long and cold and summers short and cool. North of the 52nd parallel, where the Kayahna communities are located, climatic conditions are especially harsh. Compared to the communities in the south they generally experience colder average maximum and minimum daily temperatures, fewer frost-free days and less precipitation (see Maps 2.4, 2.5 and 2.6). Perennially frozen ground called permafrost is also found in the vicinity of the Kayahna communities. Near Fort Severn there is permafrost throughout the year. Near the other Kayahna communities permafrost is generally found only in bog areas with extensive bedrock outcrops. South of the 52nd parallel there is no permafrost.

Wildlife

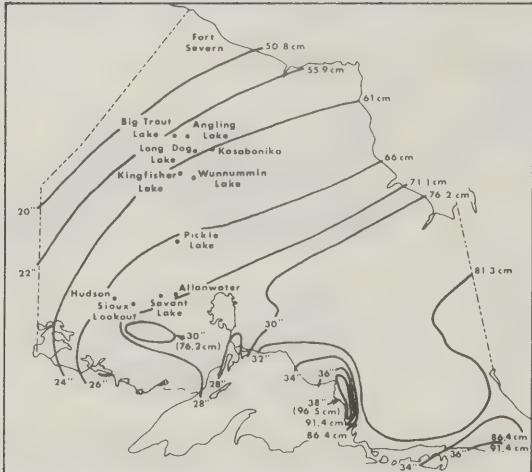
Coupled with the physiography of northwestern Ontario, the geology and climate of the region have produced a variety of delicate habitats which allows only certain wildlife to survive. For instance, on the Lowlands, the near level topography, poor drainage, basic soils and harsh climate of



Map 2.4 Mean Daily Temperature for the Year in Northern Ontario (after Department of Transport, 1968, The Climate of Northern Ontario, p. 20)



Map 2.5 Mean Annual Frost-Free Period (in days) in Northern Ontario (after Department of Transport, 1968, The Climate of Northern Ontario, p. 45)

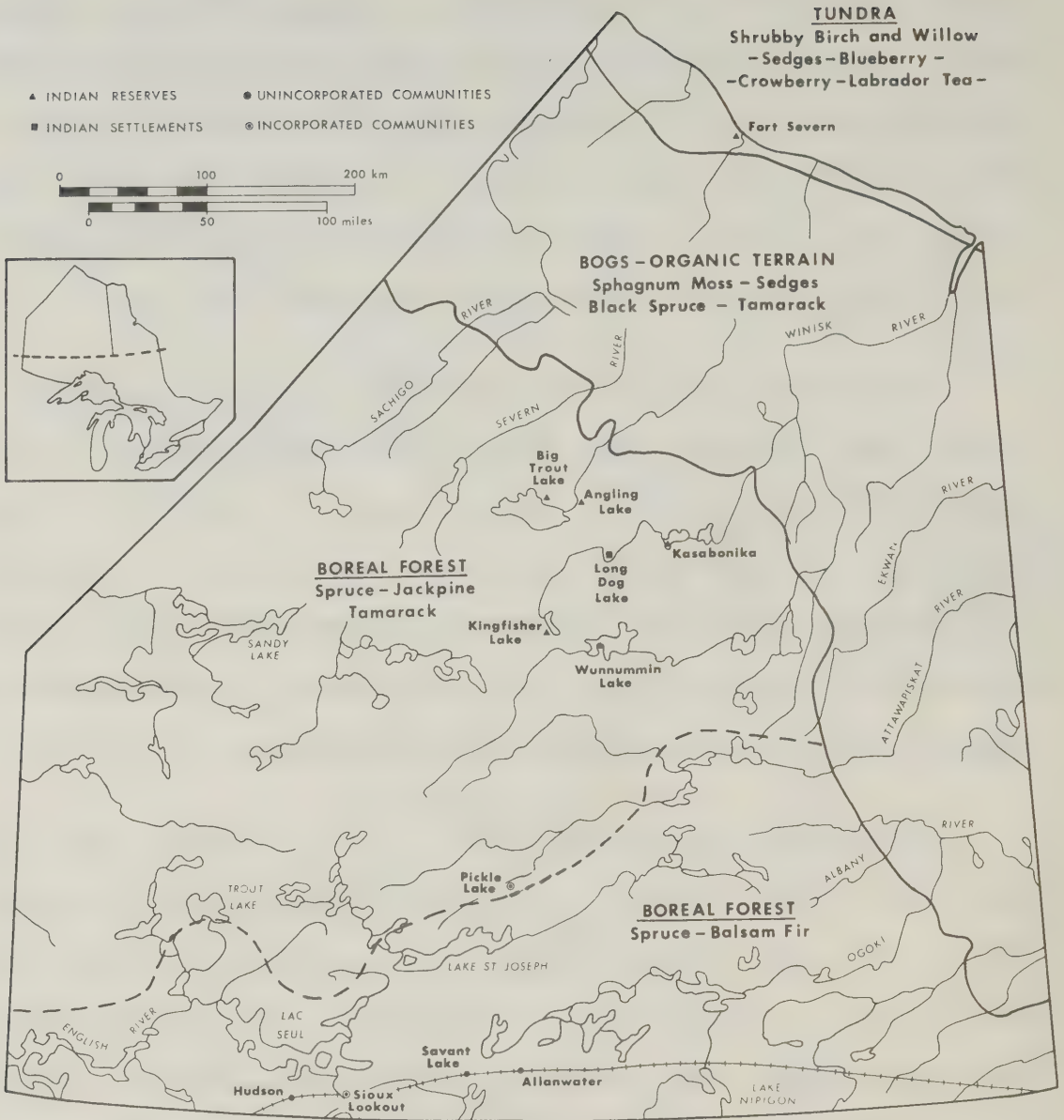


Map 2.6 Mean Annual Precipitation in Northern Ontario (after Department of Transport, 1968, The Climate of Northern Ontario, p. 47)

the region have placed strict limits on plant life. The Shield, which has a more diverse topography, better drainage, acidic soils and a less severe climate offers a greater variety of plant habitats. There, trembling aspen, balsam poplar and white spruce grow on well-drained sites, black spruce on poorly drained sites and species such as white birch and aspen poplar on intermediate sites. The Hudson Bay Lowlands supports patches of stunted black spruce and tamarack in swamp, muskeg and bog (see Map 2.7).

Other plants in northwestern Ontario consist mainly of shrubs and bushes, bog plants and barren ground tundra vegetation. Wild rice, which has a relatively high commercial value, grows naturally only in the vicinity of Sioux Lookout among the communities involved in this study, along the banks of rivers and streams, on the shores of ponds and shallow lakes and on river deltas.

The animals, birds and fish in the region are also associated with specific habitats. Some, such as beaver, live in wet areas where balsam, aspen, poplar, willow and alder grow. Others, such as muskrat, are found in marshy areas near lakes and streams. Lowlands species include arctic fox and polar bear. Other important fur bearing species include marten, mink, otter, fisher, lynx, weasel, bobcat, coyote, red squirrel, raccoon, hare, skunk, timber wolf, wolverine, grey fox and coloured fox. An assortment of game animals also inhabits the region--moose and black bear in forested areas of the Shield, caribou on the



Map 2.7 Vegetation Regions in Northwestern Ontario (after Energy, Mines and Resources Canada, 1974, National Atlas of Canada, p. 45-46)

Lowlands and some white-tailed deer near Sioux Lookout. Birds found in the region include ducks, loons, geese, grouse, ptarmigan, gulls, white throated sparrows, great blue herons, ravens, crows, jays, chickadees, hawks, eagles, owls and falcons. Fish include northern pike, pickerel, trout, sturgeon, whitefish, goldeye, ling, mullet and tulibee.

THE HUMAN ENVIRONMENT

Prehistory

Indians were the first people to live in the northwest. According to one legend, their history can be traced back to a time

before the appearance of the Earth we know, [when] the Supernaturals gathered "at the centre of the world" . . . between the Earth and Sky . . . and made the following declarations. They said that an Indian was to be created, a man fashioned of brown sand, but only after the world was cleared of dangerous beasts [The Supernaturals created a superhuman being, and] he was charged to make Earth habitable by Indians. Accordingly, he destroyed the ancient monsters. He assembled game and fur animals and fish to suit the Indian's hunting prowess. He equipped the Indian with language and society. He created . . . until the end of the mythical age, when he withdrew to some "island" where he still lives, accessible only rarely to some vision-seekers.

The archaeological interpretation of the Indians' origin is just as interesting. Based on research carried out during the past seventy years, most archaeologists believe that the first people who made northwestern Ontario their home arrived around 7,000 years ago. They came from the south and west after the glaciers had begun to melt, penetrating as far north as Lac Seul in the west and 100 miles inland from Lake Superior in the east. Their culture is called Paleo-Indian, and although we do not possess much information about these people, the archaeological record indicates that they had a sparse population, made most of their tools from stone and hunted big game. They also paved the way for a new culture called the Shield Archaic.

Archaeologists call this culture the Shield Archaic because most of their camp sites are found on the Precambrian Shield. The artifacts they left behind contain evidence that the Shield Archaic people developed out of a late Paleo-Indian . . . culture base As the continental glacier retreated . . . , first plants and then animals, including predators such as man, reoccupied the new territories released by the ice. In this fashion the Shield Archaic people gradually occupied all of Northern Ontario.

[Many] sites are located at narrows on lakes and rivers that act as natural caribou crossings and there is very little question that the caribou was a key element in the diet of the Shield Archaic people. Fish would also have been important. Indeed, the combination of caribou and fish has probably always been a prerequisite for survival throughout much of the desolate Precambrian Shield country. Other animals such as bear, beaver, hare, and waterfowl would also have been important as supplementary or seasonal resources. The new plant growth . . . would have favoured marked increases in the moose population to the point where the moose probably temporarily replaced the caribou in different areas as the major big game animal. Without the presence of caribou and fish, however, it is

unlikely that the Shield Archaic peoples could have so completely occupied this extensive and hostile country.

Like the Paleo-Indians, Shield Archaic people possessed a dynamic culture, and around 3,000 years ago it gave rise to Laurel culture. Laurel people were the first to manufacture pottery in the north, and probably the first to use the bow and arrow, the bark canoe and build bark lodges. They too hunted big game to support themselves.

After Laurel the picture becomes somewhat cloudy. Although scholars agree that Laurel culture was replaced by Blackduck and Selkirk cultures between 1,000 and 300 years ago, and that these people were responsible for new pottery styles and rock paintings, they disagree on whether they gave rise to the Ojibwa people who live in northwestern Ontario today. Some believe they are the ancestors only of the Cree, and that the Ojibwa entered the territory from the south during historic times in order to participate in the fur trade. Others argue that Blackduck and Selkirk people gave rise to a general Algonkian population from which the Cree and Ojibwa both emerged. One thing is certain; by around 300 years ago the ancestors of the Kayahna population--both Cree and Ojibwa--were in control of the territory where their descendents live today.

History

From the mid-1700's until the 1920's the ancestors of the Kayahna population earned their living primarily by participating in the fur trade. According to one scholar, it was a period

when the Indians became increasingly reliant on the Hudson's Bay Company for muskets and shot, for clothing, and certain items of food. These goods were paid for by furs, particularly beaver, which were bought by the Hudson's Bay Company. To the Hudson's Bay Company, the contact was impersonal and a business connection only; the effect on the Indian Society, however, was a good deal more profound. New appetities were created, which could be fed only by the Hudson's Bay Company; new subsistence techniques were developed, based upon the old, but for which Hudson's Bay Company equipment was necessary.

Another major impact of the fur trade was that it began to change the relationship Kayahna people had with the land. In order to facilitate the trade Europeans built a number of posts in northwestern Ontario; among them, Fort Severn in 1685, Trout Lake in 1793 and Beaver Lake House sometime before 1850. These posts, which were originally summer encampments where the Indians gathered to trade their furs, eventually served as the foundation for all the Kayahna communities that exist today, although it was not until the 1950's that schools and nursing stations encouraged the people to establish year-round settlements. Before then, the Kayahna population was nomadic.

The fur trade was not the only event which had a significant impact on the people after Europeans entered their territory. Their legal position was also evolving. For instance, in 1763 King George III issued a Royal Proclamation which promised that "the Indians with whom we are connected and who live under our protection should not be molested or disturbed in the possession of such parts of our dominion and territories, as not having been ceded to us, are reserved to them, or any of them as their hunting ground." The Proclamation also promised "that land rights could only be alienated at a public meeting or assembly, called for the purpose, and then only to the Crown." In 1867, when the British North America Act was passed, "Indians, and lands reserved for the Indians" came under the exclusive jurisdiction of the federal government. Nine years later the first Indian Act was passed. Among other things it stated who the the federal government considered an Indian person and who would be excluded. Then, in 1929, the Kayahna chiefs signed Treaty No. 9 (the James Bay Treaty), ceding their title to the land to the Crown. Although the reasons the chiefs signed the treaty probably never will be fully understood, Ontario game regulations apparently played a major role. Among the people who traded at Big Trout Lake, the regulations reduced the amount of territory the people could use to support themselves and their production of furs and game began to decline. This left them in a precarious economic position which they hoped the treaty would correct.

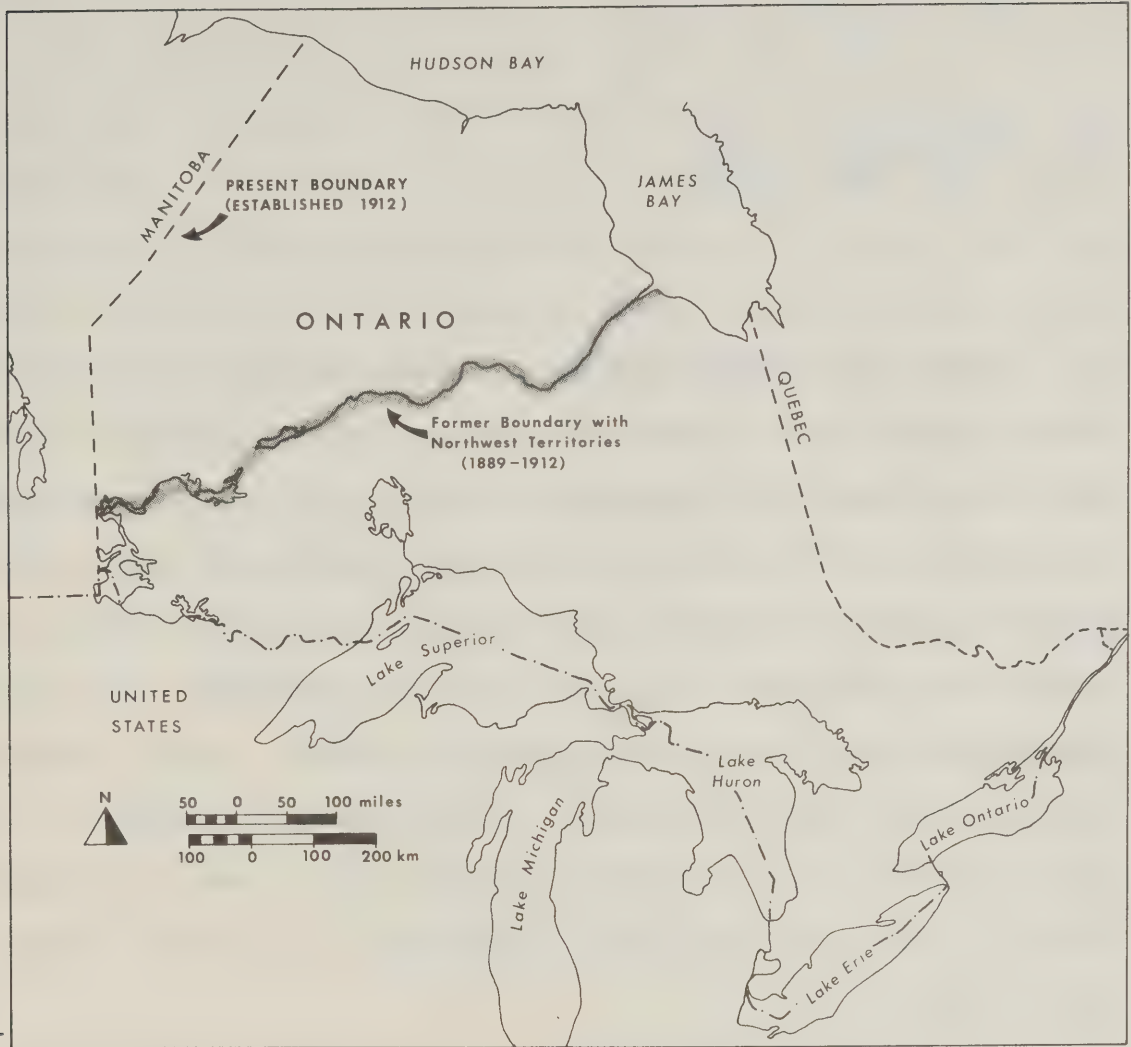
In the meantime, to the south of Kayahna, important political changes were also taking place. One occurred in 1889, when "the western boundary of Ontario was set at Lake of the Woods and its northern boundary at James Bay and the English and Albany Rivers." This followed a lengthy dispute between Ontario, Manitoba and Canada concerning where the northern and western boundaries of Ontario should be placed. Another major event took place in 1912, when the northern boundary of Ontario was extended north of the English and Albany Rivers to its present location (see Map 2.8).

This set the stage for modern industrial development to begin in earnest, bringing in hundreds of new Euro-Canadian settlers. It was these people who established the communities of Sioux Lookout, Pickle Lake, Hudson, Savant Lake and Allanwater. As a recent government report explains:

During the second decade of the 20th century industrial production emerged as the prime economic and social force in the growth of . . . [northwestern Ontario]. Based on the exploitation of forest and mineral resources and on transportation, this new industrial economy brought about increased settlement, and expanded infrastructural systems such as hydro-electric power and roads.

Industrialization went through four phases. Beginning in the late 1860's, geologists and surveyors mapped northwestern Ontario, . . . and assessed its natural resources. Following the discovery phase, entrepreneurs from eastern and western Canada constructed two railroads across the southern portion of . . . [the region] which opened it to small scale industrial exploitation of the territory's timber resources. After 1920, gold mining triggered the third phase of the railroads. The Second World War suspended industrial growth . . . [but] during the late 1940's and into the early 1950's both forestry and mining revived.

Since the war the tourist industry has also grown steadily,



Map 2.8 Changes in Ontario's Boundary (after Energy, Mines and Resources Canada, 1974, National Atlas of Canada p. 85-86)

and coupled with developments in transportation, forestry and mining, the population of northwestern Ontario has now reached almost 250,000; roughly ten times the number who lived there at the beginning of this century.

The Contemporary Scene

Today, the people who live in northwestern Ontario bear the imprint of these historical events. Native and Euro-Canadians each maintain their own unique cultural identity, and by and large live in different communities. The only major exception is an unknown number of Metis and Non-Status Indians, who are culturally Native but live in communities such as Sioux Lookout, Pickle Lake, Hudson, Savant Lake and Allanwater. Law plays a role here, for while Native People are often called Indian, not all Native People in Ontario are entitled to live in Indian communities.

The Indian Act says "Indian means a person who . . . is registered as an Indian or is entitled to be registered as an Indian." There are two categories of people who are entitled to be registered--firstly, any child whose father is Indian, and secondly, if she is not registered, any woman who marries an Indian man. A non-Indian child adopted by an Indian couple is not entitled to be registered. Nor are

children who have Indian mothers and non- Indian fathers.

The Indian Act also stipulates that when an Indian woman marries a non-Indian man she is enfranchised automatically, which means she is removed from the list of registered Indians maintained by the Government of Canada and given a per capita share of the funds which are held in trust for her band. If she has children when she marries they also are enfranchised automatically. Indian men and woman can also ask to be enfranchised, and if their request is approved by the Minister of Indian Affairs they too lose their Indian status. Non- Status is the term people generally use to refer to enfranchised Indians. Finally, there are the Metis, who trace their descent from European fur traders and their Indian wives. According to the Indian Act these people are not entitled to be registered as Indians either. Leaving aside the legal jargon, what all this means is that the Native people who live in the north have been divided, through legal means, into two groups--Indians, and Non-Status Indians and Metis.

One of the implications of this separation is that the two groups of Native- Canadians are generally found in different communities. For instance, although they are not compelled to live there for legal reasons, Indian people by and large live in reserves and Indian settlements. The former are designated areas which are held in trust for Indian people by the federal government. The latter are usually small communities located on provincial Crown land

with an exclusively Indian population. Since Metis and Non-Status Indians are not Indian by definition, they generally do not reside in these communities. Instead, many of them live in non-Indian communities populated mainly by Euro-Canadians.

Nor are the Euro-Canadian communities all the same. There are noteworthy differences between them, particularly between incorporated ones such as Sioux Lookout and Pickle Lake, and unincorporated ones such as Hudson, Savant Lake and Allanwater. An incorporated community is any area whose inhabitants have been incorporated as a municipality under the terms and conditions of the Municipal Act, while an unincorporated community is an area which does not meet the requirements for incorporation or whose inhabitants do not wish to become incorporated.

Communities usually remain unincorporated because they are too small, cannot afford to provide municipal services and are too far from other communities to benefit from amalgamation, annexation or shared services. While unincorporated communities may have specialized boards such as local roads boards, school boards or community centre boards, these boards do not have the authority to represent the community as a whole. Consequently, the limited services available to the residents of unincorporated communities are those provided by the provincial government, including education, social assistance and police protection.

On the other hand, once incorporation is granted, a community has the authority to govern itself through an elected body representing the community as a whole. Incorporated communities can institute local by-laws for the protection of people and property, levy taxes and provide essential services such as electricity, water, and sewers.

Of the two incorporated communities under consideration, Sioux Lookout was incorporated as a town in 1912, and Pickle Lake as an Improvement District in 1976. Pickle Lake subsequently obtained incorporation as a township in 1980. Of the three unincorporated communities, only Hudson and Savant Lake have a sufficient population base to apply for incorporation. Allanwater has a permanent population which at times is below the minimum requirement for incorporation. Hudson and Savant Lake are serviced by a local roads board, and Hudson is in the process of establishing a local services board.

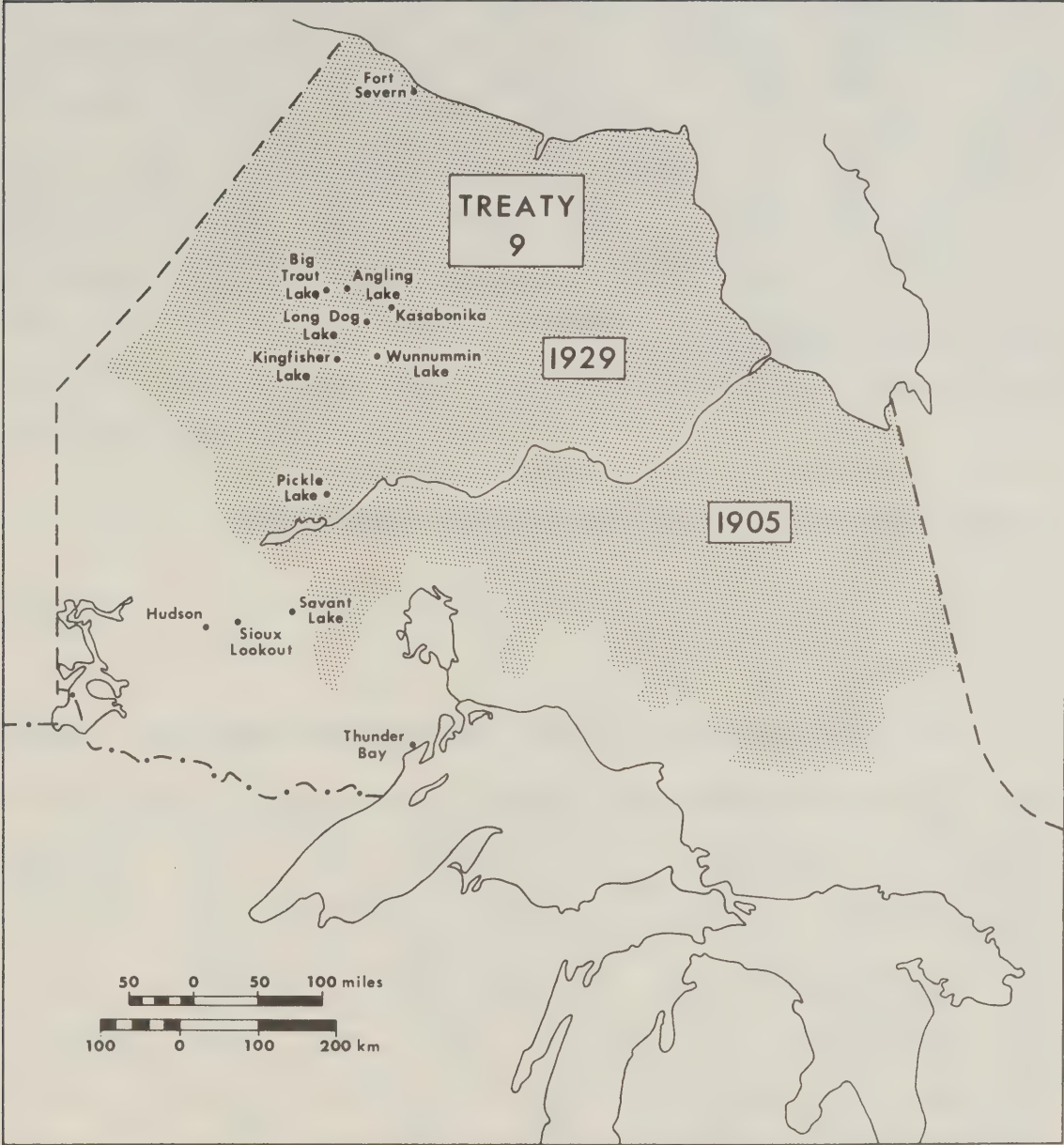
Given this background information, it is now time to consider the four main sectors of the economy of the Indian and non-Indian communities involved in this study.

CHAPTER THREE: LIVING OFF THE LAND

Living off the land not only is the oldest economic endeavour in the north, it is also one of the most complicated. Part of the problem is that while most Indian people possess a special right to live off the land, the same is not true for Metis, Non-Status Indians and Euro-Canadians. The Indians acquired this right in the treaties they made with the federal government. For instance, in the treaty the Kayahna chiefs signed, living off the land was dealt with in the following way:

His Majesty the King hereby agrees with the said Indians that they shall have the right to pursue their usual vocations of hunting, trapping and fishing throughout the tract surrendered . . . , subject to such regulations as may from time to time be made by the government of the country, acting under the authority of His Majesty, and saving and excepting such tracts as may be required or taken up from time to time for settlement, mining, lumbering, trading or other purposes.

In the opinion of the Government of Ontario this clause exempts Treaty 9 Indians from a number of provisions governing hunting, trapping and fishing inside their treaty area (see Map 3.1), as long as the activities are undertaken on unoccupied Crown land and not for commercial gain. Since Metis, Non-Status Indians and Euro-Canadians are not party to the treaty they do not possess the same right. Instead, they must abide by all applicable federal and provincial laws and regulations, including those governing licences,



Map 3.1 Treaty 9 Area

seasons and quotas.

To add to the confusion there are people who see living off the land as completely out of place in the modern world. To them using plants and animals for food is foreign and old, and not relevant to the future economic development of the north. In fact, nothing could be further from the truth. As the contents of this chapter will show, living off the land plays a vital role in all the communities involved in this study, although for different reasons and not to the same extent.

LIVING OFF THE LAND IN THE KAYAHNA COMMUNITIES

When Indian people first came to northwestern Ontario one of the problems they faced was to acquire the food they needed to survive. To produce it they developed sophisticated hunting, fishing and collecting techniques which conformed to what the environment allowed. Survival was guaranteed as long as there were enough people to harvest the wildlife they used, and individuals were willing to trade and share when supplies ran short.

When Europeans came to the region they too depended on the land to provide them with the wherewithal to survive, but their situation was different because they had access to

goods manufactured overseas. In addition to using these goods to satisfy their own requirements for food, the newcomers offered them to the Indians in exchange for furs. The Indians responded to the opportunity to acquire European materials by increasing their involvement in trapping, so that it became a much more important activity than it was during pre-contact times. Although this brought about profound changes in their social and economic organization, hunting, fishing and collecting continued to be critical to their survival, and with European technology at their disposal they became even more proficient at living off the land than they were before.

Hunting

The tradition of living off the land is still an important part of the Kayahna economy today, especially hunting, trapping and fishing. Hunting is one of the most productive activities undertaken by Kayahna residents. The main species of big game hunted are moose, woodland caribou and black bear. Small game include snowshoe hare, ptarmigan, grouse and various species of ducks and geese. Unfortunately, there is no accurate record of how many people in the Kayahna communities hunt, and the number of animals they kill. A rough estimate of their big game

harvest in 1978-1979 was prepared by the Ministry of Natural Resources on the basis of a mail-in survey sent to Indian trappers. The results indicated that 42 trappers killed 77 moose, and 30 trappers 77 caribou (see Table 3.1). But according to both Ministry and Kayahna officials these figures likely represent only half the number of hunters and half the animals killed.

Information concerning small game is not readily available either. The most recent estimates deal with waterfowl, and are based on mail-in surveys sent out by the Ministry of Natural Resources between 1971 and 1975. An estimate of the current waterfowl kill has been made on the basis of these surveys (see Table 3.2), but once again it is best to regard the estimate as a minimum one.

On the other hand, even these estimates make it hard not to appreciate the economic impact of hunting. Based on the available figures roughly 73,000 pounds of edible meat were produced during the 1978-1979 season (see Table 3.3). This averages out to around 10,000 pounds per community.

TABLE 3.1 REPORTED BIG GAME KILLS MADE BY KAYAHNA TRAPPERS DURING THE 1978-1979 SEASON¹

Community	Reported Kills of Moose	Number of Hunters	Reported Kills of Caribou	Number of Hunters
Big Trout Lake, Angling Lake and Long Dog Lake	15	9	20	10
Kasabonika	13	7	-	-
Wunnummin Lake and Kingfisher Lake	35	18	13	6
Fort Severn	14	8	44	14
<i>Totals</i>	77	42	77	30

¹ The information in this table was acquired from Big Game Harvest by Indian Trappers in Patricia Central, Patricia West and Sioux Lookout District 1979-79.

TABLE 3.2 ESTIMATED WATERFOWL KILLS MADE BY KAYAHNA TRAPPERS DURING THE 1978-1979 SEASON¹

NUMBER OF HUNTERS	CANADA GEESE	SNOW GEESE	DUCKS	TOTAL WATERFOWL
158	1234	783	2135	4152

¹ These estimates represent means calculated from reported kill figures contained in Waterfowl Harvest by Indian Trappers, Patricia Central, Patricia West and Sioux Lookout District, 1971-72, 1972-73, 1973-74, 1974-75, and from Environment Canada's National Harvest Survey and Species Composition Survey.

TABLE 3.3 ESTIMATED WEIGHT OF EDIBLE MEAT PRODUCED BY KAYAHNA TRAPPERS DURING THE 1978-1979 SEASON

SPECIES	REPORTED NUMBER OF KILLS	AVERAGE LIVE WEIGHT ¹		TOTAL AVERAGE WEIGHT		TOTAL EDIBLE WEIGHT ²	
		lbs.	kgs.	lbs.	kgs.	lbs.	kgs.
Moose	77	876.5	397.5	67,490.5	30,607.5	45,016.2	20,415.2
Woodland Caribou	77	314.2	142.5	24,193.4	10,972.5	16,137.0	7,318.7
Canada Geese	1234	7.62	3.48	9,403.1	4,294.3	6,271.9	2,864.3
Snow Geese	783	5.15	2.34	4,032.5	1,832.2	2,690.0	1,222.1
Ducks	2135	2.05	0.93	4,376.8	1,925.6	2,919.3	1,324.4
<i>Totals</i>						73,034.4	33,144.7

1 The estimated live weights of moose and caribou were obtained through personal communication with Mr. George Hamilton; those of waterfowl were obtained from Environment Canada officials.

2 These are Kayahna estimates. They represent a .667 utilization of the live weight.

Trapping

Trapping also provides Kayahna residents with a relatively large amount of meat. Kayahna trappers say that in the past most of the meat of fur-bearing animals was eaten on the trapline. Today, it is taken back to the communities by small aircraft returning from delivering supplies and shared. Table 3.4 contains an estimate of the amount of beaver, muskrat, lynx and black bear meat produced by Kayahna trappers during the 1978-1979 season. It indicates that just over 120,000 pounds were produced, or roughly 17,000 pounds per community. This raises the question: Is food a by-product of trapping or a principal product? A recent report by the provincial government concluded that "in northern Ontario, the value of beaver meat in most years approaches or even surpasses the money received for pelts."

Fishing

Fishing, the last of the three main food producing activities undertaken by Kayahna residents, is also extremely productive. This is true in all the communities except for Fort Severn where the habitat does not support

TABLE 3.4 ESTIMATED WEIGHT OF EDIBLE MEAT PRODUCED BY KAYAHNA TRAPPERS DURING THE 1978-1979 SEASON

SPECIES	PELTS MARKETED ¹	AVERAGE LIVE WEIGHT ²		TOTAL LIVE WEIGHT		TOTAL EDIBLE WEIGHT ³	
		lbs.	kgs.	lbs.	kgs.	lbs.	kgs.
Beaver	5767	29.8	13.5	171,856.6	77,854.5	114,628.4	51,929.0
Muskrat	2734	2.4	1.1	6,561.6	3,007.4	4,376.6	2,005.9
Lynx	72	24.5	11.1	1,764.0	799.2	1,176.6	533.1
Black Bear	1	303.6	137.7	303.6	137.7	202.5	91.8
<i>Totals</i>						120,384.1	54,559.8

¹ These figures were obtained from computer printouts of commerical fur production prepared by the Ministry of Natural Resources.

² The estimated average live weight of beaver was obtained through personal communication with Mr. George Hamilton; those of muskrat and lynx from The Use of the Meat of Fur-bearing Animals; and that of black bear from the James Bay Native Harvesting Committee.

³ These are Kayahna estimates. They represent a .667 utilization of the live weight.

freshwater fish. In the six other Kayahna communities the residents say that fish such as pickerel, whitefish and pike ordinarily provide them with half the meat they eat, adults consuming more and children less.

Fish are acquired for personal consumption through both commercial and non-commercial fishing. Three of the Kayahna communities are involved in commercial fishing, Kasabonika, Wunnummin Lake and Kingfisher Lake. The fisheries there normally operate from 8 to 14 weeks each year, and in 1979 they marketed 65,410 pounds of fish (see Table 3.5). Assuming that one-third over and above this amount was caught for personal consumption, and that two-thirds of the amount available for personal consumption was edible meat, it can be estimated that around 14,500 pounds of fish were used for food in the three communities that year.

Fish are also caught in the three communities where there is no commercial fishing. For instance, in Big Trout Lake and Long Dog Lake it is estimated that around 100,000 pounds of fish are caught each year. This averages out to around 159.5 pounds for each person in the two communities. If the same figure is used to calculate the subsistence catch in Angling Lake, the total amount of fish caught in the three communities for personal consumption is approximately 128,548 pounds. Since one-third of the catch is waste, the amount of edible meat produced in this way is in the neighbourhood of 85,800 pounds. This means that when subsistence and commercial fishing are combined, the total

TABLE 3.5 FISH MARKETED IN KAYAHNA DURING THE 1979 SEASON¹

COMMUNITY	LAKES UTILIZED	NUMBER OF ACTIVE FISHERMEN	NUMBER OF WEEKS OF FISHING	LANDINGS OF FISH MARKETED BY SPECIES (lbs.)			
				Walleye	Lake Whitefish	Northern Pike	Total
Kasabonika	Kasabonika Shibogama Long Dog	9	8				
Wunnummin Lake	Wunnummin Reeb (Batchelor)	5	14				
Kingfisher Lake	Kingfisher Maria Big Beaver (Masamikwash)	5	7	30,704	31,992	2,714	65,410

¹ The figures in this table are based on Ministry of Natural Resources Lake History Forms Recording Annual Landings by Species, Department of Indian Affairs and Northern Development Reported Production Tables for the 1979 Fishing Season and Freshwater Fish Marketing Corporation Computer Printout for Domestic Production — Analysis of Income for Selected Fishermen by Season.

amount of edible meat produced is around 100,000 pounds.

Other Considerations

There are two other points worth mentioning about living off the land in the Kayahna communities. The first emerges from the estimates, which show that hunting, trapping and fishing provide the people with just under 300,000 pounds of edible meat per year. This means that, on the average, around 150 pounds of country food are available to each person annually. This works out to roughly one-quarter pound of food for every man, woman and child every day of the year (see Table 3.6). Coupled with the fact that food costs are much higher than in the south, these figures suggest that living off the land not only is vital to the economy of the Kayahna communities, but to the health of the people who live there. Clearly, if these people are to survive, their right to live off the land must be maintained.

The second point is that the territory Kayahna residents cover in order to live off the land is enormous. Different routes are used in summer and winter and different species are taken from different locations. The number of people actively involved in hunting, trapping and fishing also has a bearing on the territory they utilize, and

TABLE 3.6 ESTIMATED WEIGHT OF EDIBLE MEAT PRODUCED IN THE KAYAHNA COMMUNITIES BY HUNTING, TRAPPING AND FISHING DURING THE 1978-79 SEASON

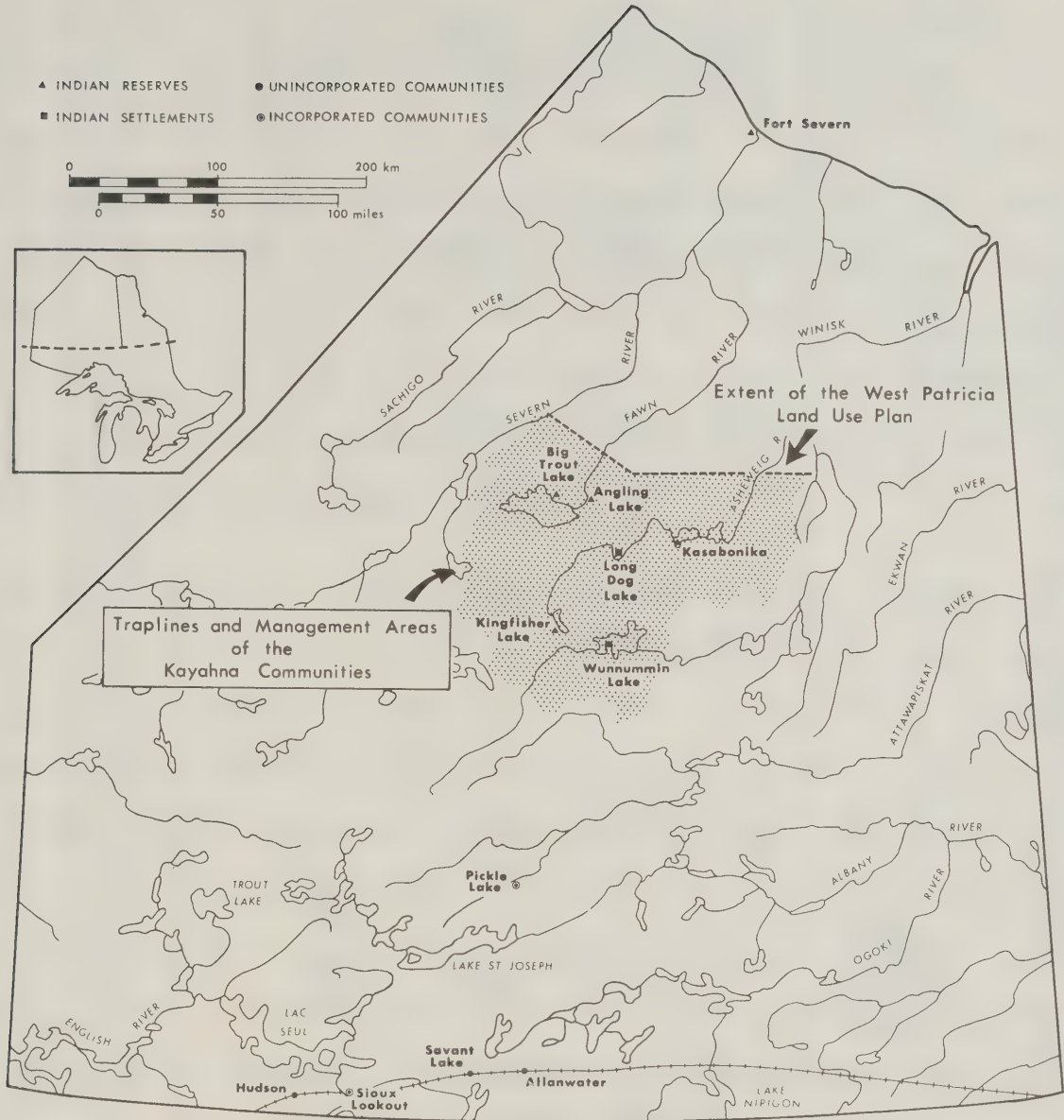
EDIBLE MEAT PRODUCED BY	HUNTING		TRAPPING		COMMERCIAL FISHING		SUBSISTENCE FISHING		TOTALS	
	lbs.	kgs.	lbs.	kgs.	lbs.	kgs.	lbs.	kgs.	lbs.	kgs.
Amounts Available Annually	73,034.4	33,144.7	120,386.1	54,559.8	14,542.8	6,596.5	85,741.9	38,892.3	293,705.2	133,193.3
Per Capita Amounts Available Annually	36.6	16.6	60.3	27.3	7.3	3.3	42.9	19.5	147.1	66.7
Per Capita Amounts Available Daily	.10	.05	.17	.07	.02	.01	.10	.05	.39	.18

according to Kayahna officials that number is increasing. In fact, if it were not for the necessity of refueling snowmachines and motorboats, and the fact that children cannot accompany their parents during the school year, the range of territory they use likely would be even greater. Map 3.2 gives some idea of the amount of territory involved.

LIVING OFF THE LAND IN THE NON-INDIAN COMMUNITIES

One of the most important differences between living off the land in the Kayahna communities and their non-Indian counterparts is that far less country food is produced in the latter. Aside from garden produce and an estimated 2,600 pounds of wild rice produced over and above the commercial harvest, meat is once again the main food produced. As in the Indian communities it is produced through hunting, trapping and fishing, but during the 1978-1979 season the amount of edible meat acquired in this way was less than 60,000 pounds, or roughly 20 per cent the amount produced in Kayahna (see Table 3.7).

The amount would be higher if the meat acquired by sport fishermen were included. Unfortunately, there is no reliable estimate. But even assuming that the people who live in the non-Indian communities produce the same amount of fish in proportion to other varieties of meat as in



Map 3.2 Traplines and Management Areas of the Kayahna Communities as represented in the West Patricia Land Use Plan (after Ministry of Natural Resources, 1981, West Patricia Land Use Plan, p. 46)

TABLE 3.7 ESTIMATED WEIGHT OF EDIBLE MEAT PRODUCED IN THE NON-INDIAN COMMUNITIES BY HUNTING, TRAPPING AND COMMERCIAL FISHING DURING THE 1978-79 SEASON¹

ACTIVITY	SPECIES	NUMBER OR AMOUNT CAPTURED	AVERAGE LIVE WEIGHT		TOTAL AVERAGE WEIGHT		TOTAL EDIBLE WEIGHT ²	
			lbs.	kgs.	lbs.	kgs.	lbs.	kgs.
Hunting	Moose	90	876.5	397.5	78,885.0	35,775.0	39,442.5	17,887.5
	White-Tailed Deer	4	200.0	90.7	800.0	362.8	400.0	181.4
	Canada Geese	317	7.62	3.48	2,415.5	1,103.2	1,307.8	551.6
	Snow Geese	224	5.15	2.34	1,153.6	524.2	576.8	262.1
	Ducks	1844	2.05	0.93	3,780.2	1,714.9	1,890.1	857.5
Trapping	Beaver	805	29.8	13.5	23,989.0	10,867.5	11,994.5	5,433.8
	Muskrat	1352	2.4	1.1	3,244.8	1,487.2	1,622.4	743.6
	Lynx	2	24.5	11.1	49.0	22.2	24.5	11.1
Commercial Fishing	Walleye	10,166 lbs.					1,405.6 ³	637.5
	Northern Pike	1,079 lbs.						
					<i>Totals</i>		58,564.2	26,566.1

¹ The information in this table is based on Ministry of Natural Resources estimates, save for the commercial fishing estimates which were obtained from the Freshwater Fish Marketing Corporation and the waterfowl figures which are based on Environment Canada's National Harvest Survey and Species Composition Survey.

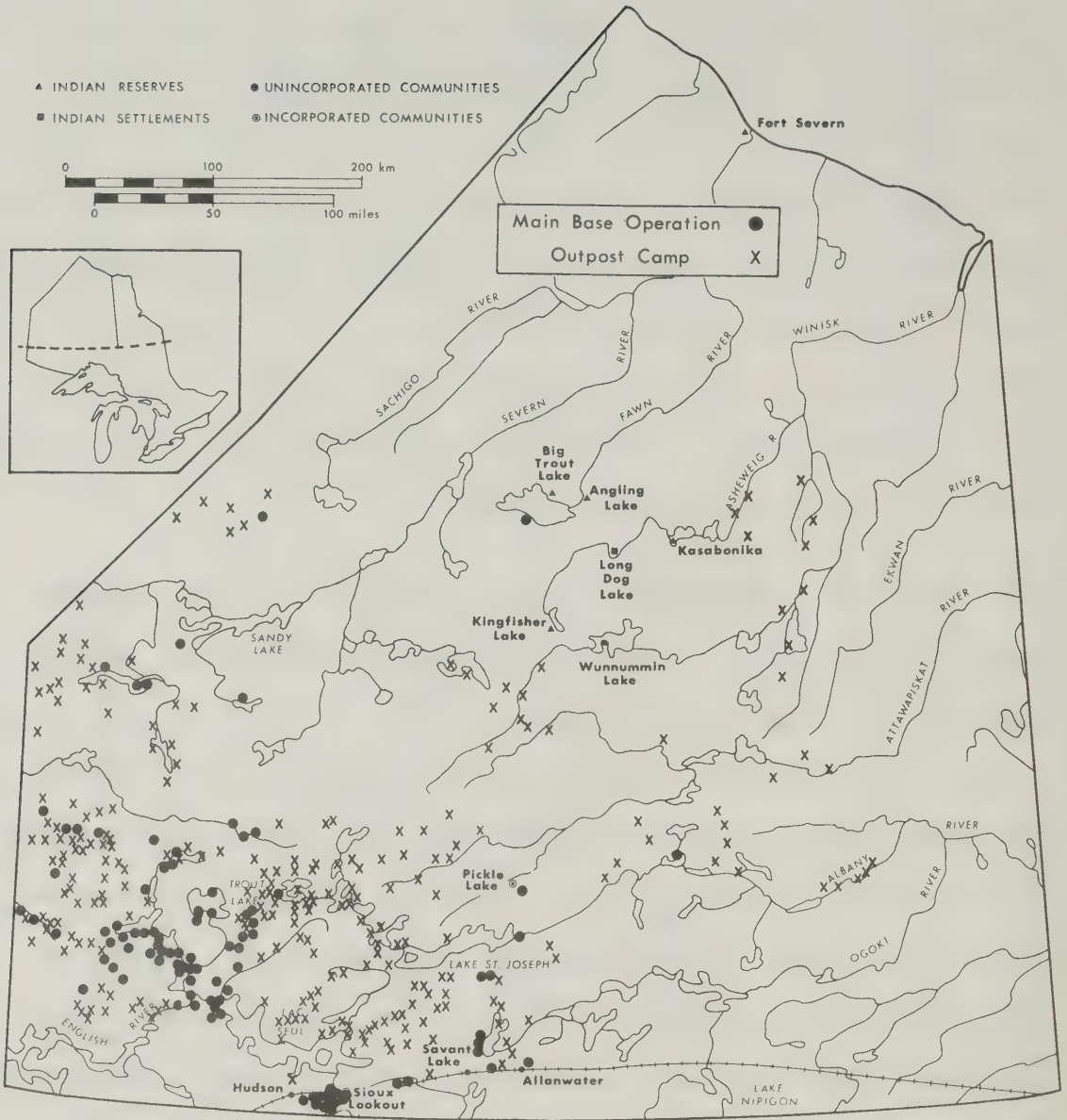
² These are Ministry of Natural Resources estimates. They represent a .50 utilization of the live weight.

³ The total edible weight of the fish caught for personal consumption by commercial fishermen is based on information acquired in a RCNE survey and through personal communication with the fishermen.

Kayahna, the total would still fall far short of what the Indians produce.

This discrepancy in the production of country food likely is due to a number of factors. For one, it is important to recall that whereas Treaty 9 gives the residents of Kayahna the right to acquire food for personal consumption without regard to most provincial fish and game regulations, their non-Indian neighbours do not possess this right. The Metis, Non-Status Indians and Euro-Canadians who hunt, trap and fish in the area must purchase all necessary licences and abide by seasons and quotas, and this places definite limits on their productivity.

Another factor which has a bearing on the amount of meat the residents of the non-Indian communities produce is competition from the outside. There is a fairly large number of tourist camps and outfitters in the vicinity of the non-Indian communities (see Map 3.3), and they attract non-resident hunters and fishermen who are productive in their own right. Non-residents obviously are important to the tourism industry and the benefits it provides, but the cost of these benefits is competition for fish and game, and this may also help to explain why living off the land is less productive in the non-Indian communities than it is in Kayahna.



Map 3.3 Commercial Tourist Establishments in the Vicinity of the Non-Indian Communities (after Ministry of Natural Resources, 1981, West Patricia Land Use Plan, p. 55)

Last, and most important of all, cultural differences must be taken into account. Although it is impossible to tell what each person has in mind when they go after game, it is clear that there is a fundamental difference between living off the land in Kayahna and the communities to the south. In Kayahna, living off the land is a basic means of survival; in the other communities it is not, at least not for the majority. There most people earn their living by working for business, industry and government, which suggests that the primary function of living off the land is to satisfy recreational needs. This does not mean that living off the land is unimportant in the non-Indian communities, only less important than in Kayahna, and this is reflected in the amount of country food the residents of the communities produce.

CHAPTER FOUR: INDUSTRY

Prior to the arrival of Europeans, the economy of northern Ontario was geared to producing food, clothing, food and shelter. Although the Native inhabitants certainly traded among themselves, and likely with people living outside the north, they did not use their resources for commercial gain. The fur trade turned this situation around. No longer was the relationship between the Native people and their resources restricted to meeting subsistence needs. Instead, a new industrial relationship emerged which saw them begin to use their resources to satisfy market demands originating outside the north, nationally and abroad. Contemporary northern industries such as trapping, manufacturing handicrafts, harvesting wild rice, commercial fishing, transportation and communication, forestry, mining and tourism are all based on this principle. The purpose of this chapter is to outline the history of these industries, describe the direct economic benefits they provide in the communities considered in this study and discuss the results.

HISTORY

The First Industries

There are a number of industries in northwestern Ontario that can trace their roots to Native culture. One of these is trapping. It was northern Ontario's first industry, and then as now Native people were the most active participants (see Table 4.1). The trade was in full swing in the northwest by the beginning of the 18th century, and despite fluctuations in animals populations and the demand for pelts, trapping remained the single most important industry in the region until the turn of the last century. By then the groundwork had been laid for other industries to appear, including manufacturing handicrafts, harvesting wild rice and commercial fishing, which are three more examples of modern industries which trace their origin to pre-contact times.

Although industries such as transportation and communication, forestry, mining and tourism have become established much more recently, their roots are no less impressive. One of the most important events which paved the way for these new industries took place during the 1860's, when geologists and surveyors began to explore the northwest in order to prepare an inventory of its natural

TABLE 4.1 THE PRODUCTION OF FURS IN THE KAYAHNA AND NON-INDIAN COMMUNITIES DURING THE 1978-1979 SEASON¹

COMMUNITY	NUMBER OF TRAPPERS	NUMBER OF LINES	BEAVER	NUMBER OF PELTS REPORTED				OTHERS
				MUSKRAT	MARTEN	MINK	OTTER	
<i>Kayahna</i> ²								
Big Trout Lake	51	13	1,348	655	236	211	211	170
Kasabonika	44	8	808	430	292	136	127	163
Wunnumin Lake	55	6	873	566	337	216	122	167
Kingfisher Lake	39	6	888	753	249	150	123	168
Fort Severn	49	8	1,390	184	264	113	207	340
Angling Lake	25	7	460	146	47	44	52	59
<i>Totals</i>	263	48	5,767	2,734	1,425	870	842	1,067
<i>Non-Indian</i>								
Sioux Lookout	39	29	486	1,080	514	103	60	72
Pickle Lake	11	5	150	94	164	19	39	37
Hudson	5	3	39	109	45	23	14	10
Savant Lake	15	9	97	38	91	23	3	10
Allanwater	2	2	33	31	56	13	3	3
<i>Totals</i>	72	48	805	1,352	870	181	119	132

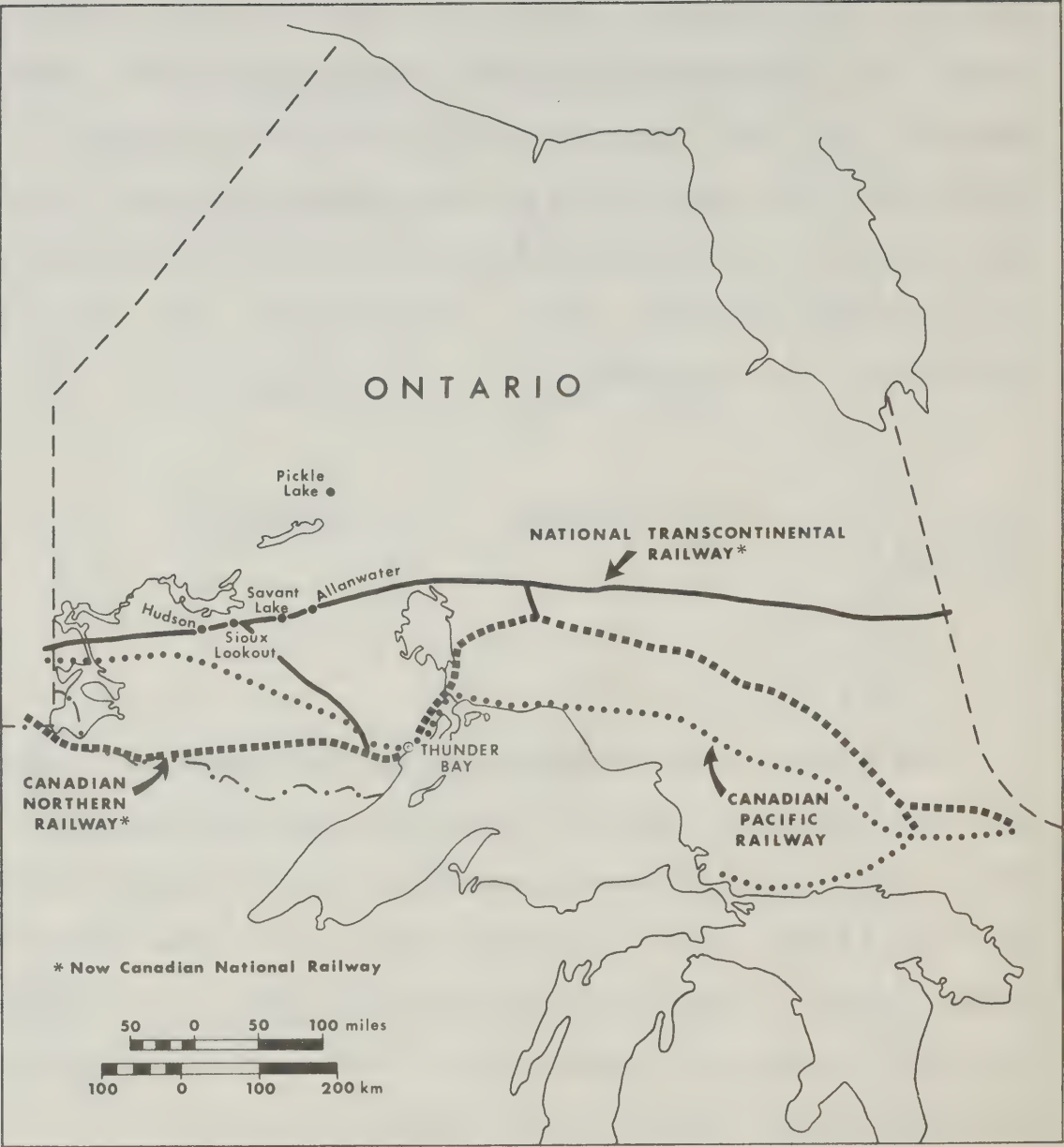
¹ The figures in this table were acquired from Ministry of Natural Resources computer printouts for commercial fur production during the 1978-1979 season.

² Long Dog Lake production figures are included in the Big Trout Lake totals.

resources. In 1891 the Ontario Bureau of Mines was established, and it too produced information about the region's wealth. The information that was accumulated in this way showed that northwestern Ontario possessed a diverse and abundant supply of fish and game, extensive stands of merchantable timber, relatively rich mineral deposits and of course beautiful wilderness scenery. The only thing that remained to be done before forestry, mining and tourism were established was to find an inexpensive way to link these resources to the marketplace, and this was accomplished by railways.

Railways

The first railway constructed in northwestern Ontario was the Canadian Pacific Railway, which was completed in 1885. It crossed the southern portion of the region opening up the timber and wilderness resources of the Kenora and Dryden areas. Another transcontinental line, the Canadian Northern Railway, was completed in 1915, as was the National Transcontinental Railway which crossed the Shield far to the north of existing settlements. Still another important line, the Grand Trunk Pacific, was built between Superior Junction and Fort William (see Map 4.1), and with the railways in place other industries were quick to take



Map 4.1 Railways in Northern Ontario (after R.F. Legget, 1973, Railways of Canada, p.116)

advantage.

Forestry

Forestry was the first industry to gain significant benefits from the railways. When the railways were being built the Government of Ontario hoped they would stimulate the development of farming in the north, but climatic and weather conditions, poor quality soils and distance from major markets prevented this from happening. Instead, as the timber supply in the Ottawa River Valley dwindled, logging companies shifted their attention to the northwest, where they began to supply the railways with timber for trestles and ties. Along with the logging companies lumber companies were also established, to meet the growing demand for construction materials for the railways, for the emerging mining industry and for new northern settlements such as Sioux Lookout.

Since that time the forestry industry has shifted its emphasis from logging and lumbering to pulp and paper production. Pulp and paper production was originally undertaken in association with the rising demand for newsprint in the early part of this century. In the 1940's the province decided to extend cutting operations northwards, but the bulk of the forest land there already

had been licensed to loggers. As a result the forestry industry was reorganized. The timber harvesting rights of independent loggers were purchased and small pulp and paper rivals amalgamated. This paved the way for large pulp and paper companies to become established, including Abitibi-Price, American-Canada, Boise-Cascade, Domtar, Great Lakes, Kimberly-Clark and Mackenzie Forest Products, which are all major employers of northerners today.

Mining

When the railways were being built interest in the mineral wealth of northwestern Ontario was also increasing, but known deposits of gold and silver remained untouched until the 1920's. It was then, through a combination of more capital investment and increased knowledge about prospecting and mining, that mineral extraction began in earnest. During the Great Depression the mining industry suffered a serious decline, but during the mid-1930's the situation improved when the fixed price of gold was increased from twenty dollars an ounce to thirty-five. Technological advancements in equipment and transportation had also been made by then, and along with the construction of local hydro-electric generating stations, the changes were sufficient to renew the interest in mining.

Since those early days other significant changes have occurred. Rapid increases in the costs of production forced many gold mines to close, including the Central Patricia Gold Mines in 1951 and the Pickle Crow Gold Mines in 1966. In fact, by the mid-1970's there were only two gold mines still operating in the northwest--Campbell Red Lake and Dickenson. But in the meantime the mining industry had shifted its attention to the extraction of base metals such as copper and zinc. In fact, it was base metals which encouraged UMAX (Union Miniere Exploration and Mining Corporation Ltd. of Belgium) to open its Thierry Base Metal Mine near Pickle Lake. It closed in 1982, but in 1979 it employed more than 300 people.

Tourism

The last major industry to benefit from the railways was tourism. The CPR provided direct access to the Kenora and Rainy River areas, and the CNR to the wilderness further north. In the early 1930's the construction of Highway 17 made the northwest more accessible to tourists, as did the construction of regional highways and improvements in air service. By 1950 the industry was attracting a large number of visitors from the south, and today it too is one of the major employers in the north. The same is true of the

transportation and communication industries, which are not only closely associated with tourism, but with all modern industries in the north.

DIRECT ECONOMIC BENEFITS

Employment

Each of the industries mentioned in the preceding section provides two direct benefits to northerners. One of these is employment. For instance, in the communities involved in this study, 1,607 people had an industrial job in 1979--430 in Kayahna, 863 in the incorporated communities and 314 in the others. What this means is that roughly 22 per cent of the population in the Kayahna and incorporated communities held an industrial job in 1979, and around 36 per cent in the others (see Table 4.2). The higher value in these smaller centres reflects the importance of forestry in Hudson, and the high value in Pickle Lake the importance of mining. The number of people employed on a full-time and part-time basis is also noteworthy because it indicates that the majority who hold industrial jobs work at them full-time. This is true in all the communities under consideration, although full-time jobs are most important

TABLE 4.2 THE NUMBER OF INDUSTRIAL WORKERS IN 1979¹

COMMUNITY TYPE	POPULATION	NUMBER OF WORKERS	PERCENTAGE OF THE POPULATION THAT EARNS AN INCOME FROM INDUSTRY
<i>Kayahna</i> ²			
Big Trout Lake	627	116	18.5
Kasabonika	414	74	17.9
Wunnummin Lake	296	70	23.6
Kingfisher Lake	241	52	21.6
Fort Severn	241	83	34.4
Angling Lake	179	35	19.6
<i>Totals</i>	1998	430	21.5
<i>Non-Indian Incorporated</i>			
Sioux Lookout	3006	455	15.1
Pickle Lake	930	408	43.9
<i>Totals</i>	3936	863	21.9
<i>Unincorporated</i>			
Hudson	583	246	42.2
Savant Lake	250	61	24.4
Allanwater	50	7	14.0
<i>Totals</i>	883	314	35.6

¹ The information in this table was acquired from employers, the Ministry of Natural Resources and the District Office of the Department of Indian Affairs and Northern Development in Sioux Lookout.

² No data were available for Long Dog Lake.

Sioux Lookout and Pickle Lake (see Table 4.3).

It is also important to point out that some industries are associated with Kayahna and others with the non-Indian communities. This is revealed in Table 4.4, which shows that the majority of industrial workers in Kayahna are engaged in trapping, manufacturing handicrafts and transportation and communication. However, the number employed in transportation and communication is deceiving since it includes 31 non-Indian people stationed at one time or another during 1979 in Big Trout Lake. On the other hand, in the non-Indian communities, forestry and mining are the two most important industrial employers, with transportation and communication and tourism running a distant third and fourth. What this suggests is that the people in Kayahna and their non-Indian neighbours have become adapted to two different forms of industrial activity. In Kayahna, it is primarily small-scale, one-person or family-operated industries which dominate, whereas in the non-Indian communities it is large-scale, corporate industries.

TABLE 4.3 THE NUMBER OF FULL-TIME AND PART-TIME INDUSTRIAL WORKERS IN 1979¹

COMMUNITY TYPE	NUMBER OF FULL-TIME EMPLOYEES	NUMBER OF PART-TIME EMPLOYEES
Kayahna ²	315	115
Incorporated	777	86
Unincorporated	300	14
<i>Totals</i>	<u>1392</u>	<u>215</u>

¹ The information in this table was acquired from employers, the Ministry of Natural Resources and the District Office of the Department of Indian Affairs and Northern Development in Sioux Lookout.
² No data were available for Long Dog Lake.

TABLE 4.4 THE NUMBER OF WORKERS IN SPECIFIC INDUSTRIES IN 1979¹

COMMUNITY TYPE	NUMBER OF WORKERS BY INDUSTRY							
	Forestry	Trapping	Mining	Tourism	Transportation and Communication	Manufacturing Handicrafts	Harvesting Wild Rice	Commercial Fishing
Kayahna	-	263	-	32	54	62	-	19
Incorporated	272	50	320	97	84	7	25	8
Unincorporated	233	22	-	43	2	2	9	3
Totals	505	355	320	172	140	71	34	30

¹ The information in this table was acquired from employers, the Ministry of Natural Resources and the District Office of the Department of Indian Affairs and Northern Development in Sioux Lookout.

Income

Employment is only one of the direct economic benefits generated by industry. Income is another. In the communities involved in this study it amounted to approximately 17.7 million dollars in 1979, almost 1 million in Kayahna, over 12 million in the incorporated communities and over 4 million in the others. This means that, on the average, industry generated around \$450 for each person in Kayahna, around \$ 3,200 for each person in the incorporated communities and around \$5,000 in the others (see Table 4.5).

Although the difference between the Kayahna and the non-Indian communities is large, it must be kept in mind that it reflects the type of industrial activities in which the people are engaged. In Kayahna, trapping and manufacturing handicrafts dominate the industrial sector, and these not only are small-scale, but also generate relatively low amounts of pay. In fact, their principal advantage likely is that they can be undertaken in harmony with living off the land. Of course in the non-Indian communities forestry and mining dominate, and these not only are large-scale, but provide relatively large amounts of pay (see Table 4.6).

TABLE 4.5 THE INCOME EARNED BY INDUSTRIAL WORKERS IN 1979¹

COMMUNITY TYPE	INCOME FROM INDUSTRY	POPULATION	PER CAPITA INCOME
Kayahna	\$891,739	1998	\$446
Incorporated	\$12,452,435	3936	\$3,164
Unincorporated	\$ 4,388,294	883	\$4,970
<i>Totals</i>	<u>\$17,732,468</u>	<u>6817</u>	<u>\$2,601</u>

¹ The information in this table was acquired from employers, the Ministry of Natural Resources and the District Office of the Department of Indian Affairs and Northern Development in Sioux Lookout.

TABLE 4.6 THE AVERAGE INCOMES EARNED FROM ALTERNATE INDUSTRIAL ACTIVITIES IN 1979¹

ACTIVITY	NUMBER OF PEOPLE INVOLVED	TOTAL INCOME	PER CAPITA INCOME
Forestry	505	\$8,879,040	\$17,582.25
Mining	320	\$5,939,362	\$18,560.51
Transportation and Communication	140	\$1,689,386	\$12,067.04
Commercial Fishing	30	\$155,381	\$5,179.37
Harvesting Wild Rice	34	\$94,305	\$2,773.68
Tourism	172	\$427,381	\$2,484.77
Trapping	335	\$542,013	\$1,617.95
Manufacturing Handicrafts	71	\$23,600	\$332.39

¹ The information in this table was acquired from employers, the Ministry of Natural Resources and the District Office of the Department of Indian Affairs and Northern Development in Sioux Lookout.

DISCUSSION

There is absolutely no doubt that industry has provided significant benefits to the people who live in the communities involved in this study. Most of these communities originated because of industrial development, and the taxes and royalties the federal and provincial governments collect from industry have been used to help create the infrastructure on which the residents depend. Given the number of people employed and the amount they earn it is also clear that industry is vital to their economic well-being. Without industry their economies would collapse. A person who is working and earning a living because he or she is participating in an industrial activity is also certainly better off than one who is unemployed.

On the other hand, when one considers particular industries it is clear that they need not be developed simultaneously or to the same extent. In fact, this may be impossible to achieve because of financial constraints and because industrial development in one sector of the economy may inhibit or prevent growth in another. Thus, as far as the future is concerned, there is a choice to be made about which industries should be encouraged to grow. If the information in this study is an indication, in making this choice it should be kept in mind that while small-scale industries such as trapping, manufacturing handicrafts,

commercial fishing and even tourism may not generate large incomes, this must be balanced against the stability of large-scale industries such as forestry and mining. In this respect the closure of the UMEX mine near Pickle Lake is a frightening example. More than 300 people lost their jobs, millions of dollars have been withdrawn from the local economy and the population is now half of what it was in 1979. If disasters like this are to be avoided, perhaps governments and large companies should not only provide guarantees to each other, but to the people who might find their communities destroyed when national or international markets for industrial resources collapse.

CHAPTER FIVE: BUSINESS

Business and industry are not always distinguished from each other. In fact, northern businesses are often regarded as the inevitable outcome of industrial growth. From an historical perspective this view has some merit since business and industry generally developed together in the north. For instance, in Pickle Lake, the development of the business community went hand-in-hand with the development of mining. Likewise, the origin of the business community in Sioux Lookout can be traced to the development of the transportation industry and logging. As early as 1911 the town contained three general stores, two hotels and a boarding house, two doctors catered to the medical needs of the residents--more than 1,000 at the time--and two dance halls and a poolroom were in operation. Smaller centres such as Hudson and Savant Lake also originated in association with railways and logging, and as the population of these settlements grew businesses were opened there as well.

But there are also exceptions to this pattern. For instance, in the Kiyahna communities, aside from the Hudson's Bay Company which appeared in tandem with the fur trade, almost all business growth has taken place since the 1960's. In fact, in 1979, two of the Kiyahna communities,

Angling Lake and Long Dog Lake, did not have any businesses. Even in the non-Indian communities business and industry have not always developed together. Allanwater had no businesses in 1979 either.

There are also other important differences between business and industry in the north. One is that while the majority of northern business persons live in the communities in which their businesses are located, the directors and stockholders of large industrial firms generally live in the south. Because of this northern business persons are likely to be much more sensitive to local opinions. Nor do owners or operators of businesses in the north possess the same economic resources as large industrial firms, and this means that their impact on the non-human environment is likely to be much less severe.

Finally, and most important of all, whereas some commercial enterprises operate in the national and international marketplace, others serve mainly local markets. It is this second group which forms the business community, including co-op stores, restaurants, service stations and the like. The purpose of this chapter is to describe the structure of business in the communities under consideration, indicate the direct economic benefits the business community provides and identify some of the major concerns that occupy the attention of northern business persons today. But first a note about the research on which this chapter is based.

RESEARCH TECHNIQUES

Unfortunately, despite its contribution to the social, economic and material well-being of the people who live in the north, not much has been reported about the businesses there. In order to compensate for this lack of information a variety of research techniques were used to generate the material on which this chapter is based. To provide an indication of the structure of the business community, an inventory of businesses was compiled from existing directories. This was supplemented by interviews, and by historical information gathered from published and unpublished documents. In addition, a questionnaire survey was administered to a sample of business persons in Sioux Lookout, Pickle Lake, Hudson and Savant Lake.

The survey was administered by Commission staff in the summer of 1981. Every effort was made to visit all businesses which employed at least one person other than the owner or manager in 1979, and were still in operation in 1981. The overall response rate was 48.4 per cent. The rate likely would have been higher if the survey had been administered before or after the summer when businesses are less busy. On the other hand, only seven of the business persons who were contacted chose not to complete the questionnaire. In other words, the effective response rate was 86 per cent, or 50 business persons representing 47

establishments.

Estimates of the income acquired from business have been calculated from information collected through the survey and follow-up interviews with owners and managers who were not originally available. Whenever businesses were no longer operating or former owners could not be reached, incomes were estimated on the basis of the provincial minimum wage for one full-time employee who worked 40 hours a week throughout the year.

In the Kayahna communities a different procedure was followed. Although a business inventory was established and historical information collected in the same way as in the south, the business survey was not used. The relatively small number of businesses there made it impossible to guarantee anonymity. Instead, information was collected from the Department of Indian Affairs and Northern Development, the Ministry of Natural Resources and of course business persons in Kayahna.

THE STRUCTURE OF THE BUSINESS COMMUNITY

The Number of Businesses

In general, the number of people who live in a community determines how many businesses will be located there. New businesses can be expected to open if the number of potential customers increases, and existing businesses can be expected to close if the population declines. Of course there are other factors such as the demand for specific products, the cost of the products and the cost of borrowing money which influence how many businesses will be able to operate, but in the communities involved in this study the correlation between population size and the size of the business community is high. The only exceptions are in Kayahna, but there the number of businesses is so low that even very small changes upset the correlation. The same factor is also one of the main reasons there is a much lower ratio of businesses per person in the Kayahna communities than there is in the others (see Table 5.1).

One important implication of the relationship between business and community size is that sustained business growth and development is unlikely without an increase in population. For instance, all things being equal, the population of Big Trout Lake would have to increase

TABLES 5.1 THE POPULATION AND NUMBER OF BUSINESSES IN THE COMMUNITIES INVOLVED IN THIS STUDY IN 1979

Community Type	Population	Number of Businesses ¹	Ratio of People to Businesses
<i>Kayahna</i>			
Big Trout Lake	627	6	104.5:1
Kasabonika	414	4	103.5:1
Wunnummin Lake	296	7	42.3:1
Kingfisher Lake	241	3	80.3:1
Fort Severn	241	2	120.5:1
<i>Totals</i>	1819	22	82.7:1
<i>Non-Indian Incorporated</i>			
Sioux Lookout	3006	95	31.6:1
Pickle Lake	930	25	37.2:1
<i>Totals</i>	3936	120	32.8:1
<i>Unincorporated</i>			
Hudson	583	9	64.8:1
Savant Lake	250	5	50.0:1
<i>Totals</i>	833	14	59.5:1

¹ These figures were extrapolated from Bell Canada's Northwestern Ontario Telephone Directory, 1979; the Ministry of Northern Affairs' Northern Ontario Directory 1979; and the Department of Indian Affairs and Northern Development's Business Directory, 1979.

five-fold in order for it to support as many businesses as Sioux Lookout. Population increases likely would also have to occur in order to stimulate the growth of the business sector in the other communities involved in this study as well.

The Composition of the Business Community

Another rule of thumb is that the size of a community's population determines the range of businesses which can operate. Relatively low cost and frequently purchased items such as groceries and fuel are normally in high demand so there are generally businesses that sell them even in small settlements. On the other hand, relatively expensive, luxury items such as automobiles are usually only sold where there is a large number of people. Since none of the communities under consideration has a large population it is not surprising that the range of businesses is limited. This is especially true in Kayahna where virtually all of the businesses are retail outlets or provide accomodation and food (see Table 5.2).

Even in the non-Indian communities the range of businesses is restricted. For instance, although Sioux Lookout has a fairly diverse business community, the people who live in the other non-Indian communities have direct

TABLE 5.2 THE COMPOSITION OF THE BUSINESS COMMUNITY IN 1979¹

COMMUNITY TYPE	TYPE OF BUSINESS										
	retail	accommodation and food	transportation and communication	wholesale	construction and contracting	personal services	recreation services	services to business and industry	manufacturing	finance, insurance and real estate	community services
<i>Kayahna</i>											
Big Trout Lake	3	1	1				1				
Kasabonika	2	1									
Wunnumin Lake	4	2					1				
Kingfisher Lake	2										
Fort Severn	1	1									
<i>Totals</i>	<u>12</u>	<u>5</u>	<u>1</u>				<u>2</u>				
<i>Non-Indian Incorporated</i>											
Sioux Lookout	35	14	9	8	7	7	4	4	3	3	1
Pickle Lake	7	6	6	1	2			2		1	
<i>Totals</i>	<u>42</u>	<u>20</u>	<u>15</u>	<u>9</u>	<u>9</u>	<u>7</u>	<u>4</u>	<u>6</u>	<u>3</u>	<u>4</u>	<u>1</u>
<i>Unincorporated</i>											
Hudson	5	2						1		1	
Savant Lake	2	2	1	1							
<i>Totals</i>	<u>7</u>	<u>4</u>	<u>1</u>	<u>1</u>				<u>1</u>		<u>1</u>	

¹ The information in this table was extrapolated from Bell Canada's Northwestern Ontario Telephone Directory, 1979; the Ministry of Northern Affairs' Northern Ontario Directory 1979; and the Department of Indian Affairs and Northern Development's Business Directory, 1979.

access to a much narrower range of products. This benefits Sioux Lookout because the businesses that are not represented in the smaller, non-Indian communities are represented in Sioux Lookout, but it also benefits other communities in northwestern Ontario such as Dryden and Thunder Bay which have a much larger business community than Sioux Lookout. The business communities in Dryden and Thunder Bay, and especially in Sioux Lookout, also benefit by selling goods and services to the people from Kiyahna, and this has created a north-south customer-business relationship which has matured over the years.

Population size is not the only reason the range of businesses is restricted. Transportation rates also play a role (see Table 5.3), for they increase the cost of both low order and high order goods (see Table 5.4). This increases the cost of doing business in the north which tends to discourage investment. Were it not for the fact that business persons in Kiyahna and the non-Indian communities can purchase at wholesale prices and pay bulk shipping rates, the range of businesses likely would be even narrower than it is today.

Despite these limitations, the business sector in some of the communities under consideration exhibits a high degree of stability. Although this is not the case in Kiyahna, in the non-Indian communities many of the existing businesses have been in operation for a considerable number of years. Among the 50 businesses surveyed by Commission

TABLE 5.3 AIR AND RAIL TRANSPORT RATES (1981)

TO	FROM WINNIPEG via air ¹ via rail ²	FROM THUNDER BAY via air ¹ via rail ²	FROM SIOUX LOOKOUT via air ¹
Big Trout Lake	.75 ³	.70	.40
Kasabonika	.81	.76	.46
Wunnummin Lake	.82	.77	.47
Kingfisher Lake	.81	.76	.46
Fort Severn	1.10	1.05	.75
Angling Lake	.77	.72	.42
Long Dog Lake	.79	.74	.44
Sioux Lookout	.35 ⁴	29.35	
Pickle Lake	.55 ⁵	29.35	.26 ⁵
Hudson			
Savant Lake	16.20	29.35	
Allanwater	16.20	29.35	

¹ The costs indicated are for each pound of merchandise shipped. They were provided by Commission staff.

² The costs indicated are for 25 pounds of merchandise.

³ The minimum charge to the Kayahna communities is \$17.00.

⁴ The minimum charge to Sioux Lookout is \$10.00.

⁵ The minimum charge to Pickle Lake is \$12.00.

TABLE 5.4 COMPARATIVE RETAIL PRICES OF SELECTED LOW ORDER AND HIGH ORDER GOODS (1981)¹

COMMUNITY	LOW ORDER GOODS		HIGH ORDER GOODS		
	3 Restaurant Meals ²	Denim Jeans (GWG)	Grocery Basket ³	Snowmachine (ELAN)	16' Aluminum Boat Outboard Motor (Mercury 9.5)
Big Trout Lake	24.20	34.98	25.97	1,840.00	1,850.00 1,299.00
Sioux Lookout	21.20	28.89	17.73	-	1,600.00 1,177.00
Pickle Lake	-	23.98	18.71	1,900.00	-
Thunder Bay	19.70	24.77	17.59	1,574.00	1,499.00 1,049.00

- ¹ The prices are for the period June 24th to 27th, 1981. They were provided by Commission staff.
² Breakfast includes two eggs, bacon and toast; lunch a hot beef sandwich and apple pie and dinner a sirloin steak.
³ The basket consists of margarine, lard, powdered milk, sugar, tea, flour, salt, rolled oats and potatoes.

staff, more than half had been in operation longer than 10 years (see Table 5.5).

DIRECT ECONOMIC BENEFITS

Employment

Like industry, the business sector also provides significant benefits to a relatively large number of people. For instance, in Sioux Lookout almost 20 per cent of the population is employed by business, and in Pickle Lake almost 13 per cent (see Table 5.6). The relatively large value for Pickle Lake is a measure of its role as a shopping centre for UMEX mine workers and their families, but now that the mine has closed the business community will almost certainly suffer a severe decline. The only other noteworthy discrepancy in the non-Indian communities is in Hudson, but no doubt one of the main reasons for this is that Hudson is close to Sioux Lookout which has the largest business community in the region.

Among the Kayahna communities Big Trout Lake has the largest number of business employees, and this stands to reason since it has the largest population. The values for the other Kayahna communities are mixed, but this is

TABLE 5.5 THE LENGTH OF TIME BUSINESSES HAVE BEEN IN OPERATION IN THE NON-INDIAN COMMUNITIES¹

COMMUNITY	NUMBER OF BUSINESSES SURVEYED	NUMBER OF YEARS OF OPERATION					
		1 to 9	10 to 19	20 to 29	30 to 39	40 to 59	50+
Sioux Lookout	41	14	11	3	5	3	3
Pickle Lake	4	1			2	1	
Savant Lake	2	1					1
Hudson	3	1			1		1
Totals	50	17	11	3	8	4	5

¹ The information in this table was acquired through the business survey.

TABLE 5.6 THE NUMBER OF PEOPLE EMPLOYED BY BUSINESS IN 1979¹

COMMUNITY TYPE	POPULATION	NUMBER OF PEOPLE EMPLOYED BY BUSINESS	PERCENTAGE OF THE POPULATION THAT EARNS AN INCOME FROM BUSINESS
<i>Kayahna</i>			
Big Trout Lake	627	38	6.1
Kasabonika	414	13	3.1
Wunnummin Lake	296	21	7.1
Kingfisher Lake	241	9	3.7
Fort Severn	241	8	3.3
<i>Totals</i>	1819	89	4.9
<i>Non-Indian</i>			
<i>Incorporated</i>			
Sioux Lookout	3006	573	19.1
Pickle Lake	930	119	12.8
<i>Totals</i>	3936	692	17.6
<i>Unincorporated</i>			
Hudson	583	18	2.9
Savant Lake	250	18	7.2
<i>Totals</i>	833	36	4.3

¹ The information in this table was acquired through the business survey; from government officials in the Department of Indian Affairs and Northern Development and the Ministry of Natural Resources; and from business persons in Kayahna.

probably because business development there is recent and raising money to start businesses is more difficult than in the south. In fact, Kayahna residents cannot pledge either their land or resources as collateral since they are held in trust by the federal government.

It is also worthwhile to point out that while the business community as a whole employs roughly twice as many full-time workers than it does part-time (see Table 5.7), it would be wrong to underestimate the importance of part-time work, particularly in the retail and the accomodation and food categories where the majority of part-time workers are employed. Not only can these jobs provide important supplementary income, they can also provide work to people who might otherwise be unemployed.

TABLE 5.7 THE NUMBER OF FULL-TIME AND PART-TIME BUSINESS EMPLOYEES IN 1979¹

COMMUNITY TYPE	NUMBER OF FULL-TIME EMPLOYEES	NUMBER OF PART-TIME EMPLOYEES	INCOME SAVED
Kayahna	57	32	\$112,704
Incorporated	463	229	\$572,552
Unincorporated	28	8	\$ 25,860
<i>Totals</i>	548	269	\$711,116

¹The information in this table was acquired through the business survey¹ from government officials in the Department of Indian Affairs and Northern Development and the Ministry of Natural Resources; and from business persons in Kayahna.

Income

The second important benefit the business sector provides is income. An estimate of the amount is shown in Table 5.8. The estimate is lower than the actual amount because in most cases the income of owners was not available. Still, even the estimate makes it clear that business has a major impact on the economy, particularly in Sioux Lookout and Pickle Lake. There, in 1979, the income earned from business was almost 4.5 million dollars, which works out to roughly \$775 for each person in the community. The amounts earned in the other non-Indian communities and in Kayahna are much smaller, but here it must be remembered that the business communities are much smaller as well.

Yet another significant aspect of the income earned from business is that new opportunities to earn such income generally occur in Sioux Lookout. Between April 1978 and March 1979, of 109 publically-advertised job vacancies in the business sector in the communities under consideration, 101 were located in Sioux Lookout. Four vacancies were reported in Pickle Lake and four in Savant Lake. Although this does not mean that no other business jobs in the area were available, it does suggest that they were few and far between.

TABLE 5.8 AN ESTIMATE OF THE INCOME EARNED BY BUSINESS EMPLOYEES IN 1979¹

COMMUNITY TYPE	INCOME FROM BUSINESS	POPULATION	PER CAPITA INCOME
Kayahna	\$558,579	1998	\$279.57
Incorporated	\$4,445,316	3936	\$1,129.40
Unincorporated	\$264,670	883	\$299.74
<i>Totals</i>	\$5,268,565	6817	\$ 772.86

¹ The information in this table was acquired through the business survey; from government officials in the Department of Indian Affairs and Northern Development and the Ministry of Natural Resources; and from business persons in Kayahna.

CONCERNS ABOUT THE FUTURE

Business not only is an integral part of the northern economy because of the benefits it provides. It is worth repeating that the majority of people who own or work for northern businesses are themselves northerners, and as such have a vested interest in the social and economic future of the communities in which they live.

This is reflected in the issues which concern them. For instance, in the non-Indian communities, business persons who were interviewed by Commission staff expressed strong opinions about a number of subjects. Firstly, although they were concerned about damage to the environment, they felt that if industrial development were not encouraged the business community would suffer. Secondly, they were concerned that a lack of competition within the business community encouraged people to shop outside the north, and that this was having a detrimental effect. Thirdly, they were concerned that the communities in which they lived did not provide sufficient community services to attract a stable labour force. Fourthly, some felt that although government employment stabilized the northern economy, social assistance payments had reached the point where they discouraged people from seeking business jobs. Fifthly, they pointed out that current features of the national economy such as high interest rates and high

inflation were preventing them from expanding. They also said that the small size of their markets prevented them from expanding, but that if they did expand it would likely be in communities in the far north such as the ones in Kayahna. Yet Kayahna residents may want to develop their own business communities, and if this is their aim the potential for cooperation and conflict both exist.

CHAPTER SIX: GOVERNMENT

Four governments have jurisdiction in northern Ontario. One is the Government of Canada, which is responsible for making federal laws, and creating policies and programs that are both national and international in scope. Another is the Government of Ontario, which is responsible for provincial laws, and making policies and programs that apply to the province. The only exception is in reserves, since Indians have a special constitutional relationship with the Government of Canada which restricts the province's power. The third government that plays a major role in the north is local government. It derives its powers from the Government of Ontario, and is concerned primarily with delivering services and regulating community affairs in incorporated and unincorporated centres. The fourth government with jurisdiction in the north is band government. It derives its powers from the federal government, and is exclusively concerned with reserves and Indian settlements. In order to avoid making the discussion in this chapter unduly complex, local and band government will not be distinguished from their parent systems.

Aside from establishing laws and regulations, the roles government plays can be divided into three broad categories. One is constructing and maintaining public works such as highways, airports, hospitals and schools. Another is to

provide people with essential services such as mail delivery, police protection and public transportation. Yet another important role of government is to promote the social and economic well-being of the population it serves.

Much of the money government uses to perform these tasks is acquired through taxation, ranging from fees for licences and permits up to and including tax on personal and corporate income. Northerners have often questioned how well their tax dollars are spent, and no doubt will continue to do so in the future, especially when expenditures are made in the north. The aim of this chapter is to shed some light on this issue by outlining the history of government involvement in the northern economy, and discussing the impact of government income in the communities involved in this study.

THE HISTORY OF GOVERNMENT INVOLVEMENT

The Forties and Fifties

Although government involvement in the northern economy dates back to before the turn of the century, its greatest impact has been during the past forty years. In certain cases that involvement was the result of specific policies

designed for the north; in others because of broader national or provincial goals. For instance, during the 1940's and 1950's one of the principal aims of the Government of Ontario was to promote industrial growth. As a result, a number of laws were passed which were designed to encourage the development of large-scale industries such as forestry and mining. One of these laws, the Act for Forest Management, prevented American pulpwood companies from holding licences on Crown land unless they built mills in the province. This led to the creation of thousands of new jobs, including many in the north. In the meantime, the Ontario Legislature had passed a number of laws to protect labour, including firm procedures for collective bargaining. Among these laws were the Hours of Work and Vacations with Pay Act, the Rights of Labour Act and the Labour Relations Act.

The Sixties

Unfortunately, by the 1960's unemployment had become a serious problem in the north. One of the reasons was that there were downturns in the demand for minerals and wood. Another was that the majority of jobs created in Ontario during the 1960's were in manufacturing, which meant that the south acquired most of the benefits. The third reason

was that a relatively large number of wartime and post-war babies had matured and were entering the labour force.

The governments of Canada and Ontario tried to reduce unemployment through community development projects and by retraining people who lacked technical skills. In addition, joint federal-provincial road construction projects were initiated to gain access to remote, potentially valuable northern resources. Although these measures helped, unemployment was still a significant problem.

The Seventies

By the 1970's both levels of government had re-evaluated their policies and new ones were put into place. The Government of Ontario came forward with a policy called Design for Development. One of its principal aims was to put an end to haphazard land and resource development in the north through the creation of regional centres of growth. In association with this strategy, the province also began to offer a wider variety of grants and loans to large industrial firms. In the meantime, the federal government was also playing a more active role in the north. Along with loans and grants to the private sector, departments such as Manpower and Immigration began to offer a larger number of occupational and community development

programs. In association with these measures the federal and provincial government also began to hire more northerners, people who participated in occupational and community development programs were provided with larger cash allowances and pensions and welfare benefits were increased. The end result was that government assumed a much more important role in the northern economy than it had ever had before. In fact, if the communities involved in this study are an indication, government not only provides northerners with more income than industry; it provides them with almost as much as industry and business combined (see Table 6.1).

THE IMPACT OF GOVERNMENT INCOME

Sources of Government Income

Although government may be the most important source of income in the north, there are important differences in the amounts acquired in different communities. For instance, as is the case in many reserves and Indian settlements, government provides most of the income in Kayahna. There, the people acquired more than 3 million dollars from government in 1979, including the salaries of non-Indian

TABLE 6.1 THE INCOME ACQUIRED FROM INDUSTRY, BUSINESS AND GOVERNMENT IN THE COMMUNITIES
UNDER CONSIDERATION IN 1979

INCOME FROM INDUSTRY	INCOME FROM BUSINESS	INCOME FROM GOVERNMENT ¹
\$17,732,468	\$5,268,565	\$20,040,010

¹ The information on government was acquired from the agencies directly involved.

teachers and nurses who are stationed in the communities by the federal government. This works out to around \$1,650 per person (see Table 6.2). The per capita amount in the unincorporated communities is similar, but in the incorporated communities it is more than \$4,000 per year. Clearly, direct participation by government is critical to the economic security of all the communities involved in this study, not just the ones in Kayahna.

Nor is the amount acquired from the two levels of government the same. For instance, in the unincorporated communities the federal and provincial government provided roughly the same amount of income; in the incorporated communities the federal government provided roughly 18 per cent more; but in the Kayahna communities it provided almost 67 per cent more (see Table 6.3). Although this is a considerable difference, it probably reflects the taxation powers of the two levels of government and the special constitutional relationship between Indians and Canada, not an intentional slight by the province.

TABLE 6.2 THE INCOME ACQUIRED FROM GOVERNMENT IN THE KAYAHNA AND NON-INDIAN COMMUNITIES IN 1979¹

COMMUNITY TYPE	INCOME FROM GOVERNMENT	POPULATION	PER CAPITA INCOME
Kayahna	\$3,296,392	1998	\$1,650
Incorporated	\$15,858,099	3936	\$4,029
Unincorporated	\$885,519	883	\$1,003
<i>Totals</i>	<u>\$20,040,010</u>	<u>6817</u>	<u>\$2,940</u>

¹ The information in this table was acquired from the government agencies directly involved.

TABLE 6.3 THE INCOME ACQUIRED FROM THE FEDERAL AND PROVINCIAL GOVERNMENT IN THE KAYAHNA AND NON-INDIAN COMMUNITIES IN 1979¹

COMMUNITY TYPE	INCOME FROM THE FEDERAL GOVERNMENT	PERCENTAGE OF TOTAL GOVERNMENT INCOME	INCOME FROM THE PROVINCIAL GOVERNMENT	PERCENTAGE OF TOTAL GOVERNMENT INCOME
Kayahna	\$2,747,561	83.4	\$548,831	16.6
Incorporated	\$9,349,680	59.0	\$6,508,419	41.0
Unincorporated	\$472,489	53.4	\$413,030	46.6
<i>Totals</i>	<u>\$12,569,730</u>	<u>62.7</u>	<u>\$7,470,280</u>	<u>37.3</u>

¹ The information in this table was acquired from the government agencies directly involved.

Types of Government Income

There are clearcut differences in the way government income is acquired as well. In fact, there are three principal ways. One is by working for government full-time, say for instance for the Department of Indian Affairs, the Ministry of Natural Resources, the CNR, Ontario Hydro, the OPP or local and band government. Another is to work for these or similar government agencies on a part-time basis. The third way in which government income is acquired is through transfer payments, including pensions, welfare benefits and cash allowances paid to people who participate in occupational training and community development programs.

In Kayahna transfer payments provide the most income, but in the incorporated and unincorporated communities it is full-time employment (see Table 6.4). The situation in Kayanah is troubling because it indicates that Indians are still not being allowed to administer their own affairs. If they were, presumably there would be more full-time employment in Kayahna, say at least as much as in Hudson and Savant Lake. On the other hand, it is clear that vulnerability is associated with government income no matter where people live. In Kayahna the greatest vulnerability is to cutbacks in federal spending and transfers. In the other communities cutbacks in either federal or provincial spending would hurt, particularly if they reduced the number

if full-time jobs

TABLE 6.4 THE INCOME ACQUIRED FROM FULL-TIME GOVERNMENT EMPLOYMENT, PART-TIME GOVERNMENT AND TRANSFER PAYMENTS IN 1979¹

COMMUNITY TYPE	INCOME FROM FULL-TIME EMPLOYMENT	INCOME FROM PART-TIME EMPLOYMENT	TRANSFER PAYMENTS	TOTALS
Kayahna	\$973,788	\$127,475	\$2,195,129	\$3,296,392
Incorporated	\$12,976,113	\$1,412,347	\$1,469,639	\$15,858,099
Unincorporated	\$464,660	\$98,852	\$322,007	\$885,519
<i>Totals</i>	<u>\$14,414,561</u>	<u>\$1,638,674</u>	<u>\$3,986,775</u>	<u>\$20,040,010</u>

¹ The information in this table was acquired from the government agencies directly involved.

of full-time jobs.

The Special Case of Sioux Lookout

Finally, it is worthwhile to consider Sioux Lookout as a special case, for the people there acquired more than 15 million dollars from government in 1979, or roughly \$5,000 per person (see Table 6.5). Both are impressive sums. In fact, if government were an industry, Sioux Lookout could be called a single industry town. Obviously, major cutbacks in government spending could cripple the community's economy, much like the closure of the UMEX mine did in Pickle Lake. The only way for both levels of government to avoid this problem is to maintain their involvement. But the situation in Kiyahna must also be remedied, and perhaps the best way of accomplishing this is to create more full-time government jobs in Kiyahna without eliminating them in Sioux Lookout.

CHAPTER SEVEN: CONCLUSIONS

Inasmuch as this study has dealt primarily with the benefits northerners acquire from the northern economy, it is appropriate to conclude with a few comments about steps which could be taken now to help ensure that these benefits will be available in the future.

One step is for the Government of Ontario to discourage large-scale industrial projects which threaten the cultural integrity of northern people. If the information in this study is an indication, there are currently two kinds of economic adaptation in the north-- one associated with Indians and the other with non-Indians. The Indians' adaptation is based on living off the land, small-scale industry and government; that of their Euro-Canadian, Metis and Non-Status neighbours on large-scale industry, business and government. In the future large-scale industrial undertakings may be proposed which promise huge economic gains but threaten either or both of these adaptations. Such would be the case if the Indians' right to live off the land were eroded. But it can also happen to non-Indians if they were encouraged to live in a single industry town where there is a danger the economy will collapse. Undertakings which involve these risks should not be allowed to proceed. Nor should ones about which there is any doubt. The reason

is that if an economy is threatened, so too is the culture of the people who depend on it to survive. No matter how great, economic gain cannot be used to justify endangering the future of any cultural group in the north.

Another positive step would be to actively monitor large-scale industrial development projects no matter whether they pose an immediate threat to the environment or not. At the present time the long term impacts of such projects are just beginning to be understood, particularly in the north and especially on the people who live there. Under these conditions adverse impacts are all the more likely to occur. If damage to the environment is to be minimized an immediate reaction is required. Otherwise the damage will become more severe and, in the longrun, harder and more costly to repair. Nor is there a guarantee that repairs can even be made, and this makes active monitoring all that much more necessary.

Another useful step would be to resolve two outstanding issues before large-scale industrial development is even contemplated. The first is to establish adequate safeguards which will allow Indian people to continue to live off the land. Not only is this a treaty right, it is vital to their survival. The second is to establish a method to compensate people who are adversely affected by large-scale undertakings, as is the case in Pickle Lake. If development takes place before these issues are settled, it will be a clear signal that those who possess the power to make

decisions about the north are concerned less about northerners and more with the market value of northern resources.

A fourth useful step would be to ensure that policies for the future economic development of the north are prepared with the understanding that industrial development and economic development are not the same. If this study shows anything it is that industrial development is only one of the ways in which economic development can be realized. Development can also occur in the non-industrial sectors of the economy, including living off the land, business and government, and if this fact is not recognized the policy-making process will be inherently biased from the start.

Nor should it be forgotten that small-scale industries have a place in development plans. Such industries provide benefits too, and if they are to be maximized small-scale industries cannot be ignored. In fact, such industries may pose less of a threat to the environment than large-scale ones. Certainly large-scale industries provide benefits, but if northern development is seen for what it really is, namely, an experiment with northerners and resources, it is clear that if something goes wrong there is less likelihood of environmental damage if the experiment is small.

Last, if the government wants the northern economy to continue to generate significant benefits for the people in the north, changes must be made to the Environmental Assessment Act (see Appendix B). It is the one serious bulwark that currently protects the people and resources there. But it also has three principal flaws. Firstly, it exempts almost all private undertakings. In fact, so far the Act has only been applied to public undertakings. Since both can have adverse impacts both should be subject to its terms. Secondly, the proponent currently prepares the document on which the decision to proceed or not proceed with the undertaking is based. It would be far better if the document were prepared by someone other than those who likely have a vested interest in seeing the undertaking proceed. Thirdly, there is no guarantee that local people will be appointed to the board which recommends whether or not a public hearing on a proposed undertaking should be held. If this is not changed, it not only may prevent northerners from participating in the decision-making process, but equally important, rob the government of their expert advice.

APPENDIX A: COMMUNITY PROFILES

TABLE A.1 COMMUNITY PROFILE OF BIG TROUT LAKE (1979)¹

Location	Latitude/Longitude - 53N49 89W53
Access	
Air	-airstrip; scheduled services from Sioux Lookout, 275 air miles
Winter Tractor Train	-from Round Lake, 100 miles
Services	
Electricity	-Ontario Hydro
Water	-school and nursing station only
Sewer	-school and nursing station only
Health Services	-nursing station in community; nearest hospital at Sioux Lookout, 275 air miles
Social Services	-nearest social services in Sioux Lookout, 275 air miles
Fire Protection	-pump and hose in community
Policing	-special constable in community; policing from Central Patricia OPP detachment, 170 air miles
Recreation	-ball park in community
Education	
Elementary	-school for grades 1 to 10 in community
Secondary	-students board in Sioux Lookout, 275 air miles
Post-Secondary	-extension courses in community from Confederation College; nearest post- secondary institutions in Thunder Bay, 430 air miles
Communications	
Telephone	-Bell telephone services
Radio	-community radio; CBC
Post Office	-in community
Television	-CBC available

¹The information in this table was acquired from the Ministry of Northern Affairs' Northern Ontario Directory, 1979-80, and from the District Office of the Department of Indian Affairs and Northern Development in Sioux Lookout.

TABLE A.2 COMMUNITY PROFILE OF KASABONIKA (1979)¹

Location	Latitude/Longitude - 53N32 88W37
Access	
Air	-from Sioux Lookout, 280 air miles, scheduled service
Winter Tractor Train	-from Menako, 120 miles
Services	
Electricity	-school only
Water	-school only
Sewer	-school only
Health Services	-nearest nursing station at Big Trout Lake, 60 miles; nearest hospital at Sioux Lookout, 280 air miles
Social Services	-nearest social services available are at Sioux Lookout, 280 air miles
Fire Protection	-none available
Policing	-from OPP Sioux Lookout detachment, 280 air miles
Recreation	-not available
Education	
Elementary	-one school, for grades 1 to 8
Secondary	-students boarded in Sioux Lookout, 280 air miles
Post-Secondary	-nearest post-secondary institutions in Thunder Bay, 435 air miles
Communications	
Telephone	-Bell telephone services
Radio	-community radio
Post Office	-in community
Television	-not available

¹The information in this table was acquired from the Ministry of Northern Affairs' Northern Ontario Directory, 1979-80, and from the District Office of the Department of Indian Affairs and Northern Development in Sioux Lookout.

TABLE A.3 COMMUNITY PROFILE OF WUNNUMIN LAKE (1979)¹

Location	Latitude/Longitude - 52N54 89W00
Access	
Air	-Float plane from Sioux Lookout, 240 miles -Float plane from Pickle Lake, 120 miles
Winter Tractor Train	-from Windigo, 100 miles
Services	
Electricity	-school and teacherage have electricity from diesel generator
Water	-school and teacherage have water system
Sewer	-school and teacherage have septic system
Health Services	nurses aide in community; nearest nursing station at Round Lake, 100 miles; nearest hospital at Sioux Lookout, 240 miles
Social Services	-nearest social services at Sioux Lookout, 240 miles
Fire Protection	-pump and hose in community
Policing	-special band constable in community; policing from Sioux Lookout OPP detachment, 240 miles
Recreation	-ball park in community
Education	
Elementary	-day school in community
Secondary	-secondary students board in Sioux Lookout, 240 miles
Post-Secondary	-nearest post-secondary institutions located in Thunder Bay, 445 miles
Communications	
Telephone	-Bell telephone services
Radio	-HF radio in community
Post Office	-in community
Television	-not available

¹The information in this table was acquired from the Ministry of Northern Affairs' Northern Ontario Directory, 1979-80, and from the District Office of the Department of Indian Affairs and Northern Development in Sioux Lookout.

TABLE A.4 COMMUNITY PROFILE OF FORT SEVERN (1979)¹

Location	Latitude/Longitude - 55N59 87W38
Access	
Air	-gravel airstrip; scheduled service from Pickle Lake, 335 air miles
Services	
Electricity	-in school only
Water	-no system available
Sewer	-no system available
Health Services	-nearest nursing station at Big Trout Lake, 175 air miles; nearest hospital at Sioux Lookout, 450 air miles
Social Services	-nearest social services at Sioux Lookout, 450 miles
Fire Protection	-pump and hose in community
Policing	-from Central Patricia OPP detachment, 335 air miles
Education	
Elementary	-one school for grades 1 to 8
Secondary	-secondary students board in Sioux Lookout, 450 miles
Post-Secondary	-nearest post-secondary institutions located in Thunder Bay, 535 miles
Communications	
Telephone	-Bell telephone services
Radio	-none available
Post Office	-in community
Television	-not available

¹The information in this table was acquired from the Ministry of Northern Affairs' Northern Ontario Directory, 1979-80, and from the District Office of the Department of Indian Affairs and Northern Development in Sioux Lookout.

TABLE A.5 COMMUNITY PROFILE OF KINGFISHER LAKE (1979)¹

Location	Latitude/Longitude - 53N02 88W50
Access	
Air	-Float plane from Sioux Lookout, 225 air miles; scheduled services from Pickle Lake, 110 air miles
Winter Tractor Train	-from Round Lake, 65 miles
Services	
Electricity	-school and teacherage only
Water	-school and teacherage only
Sewer	-school and teacherage only
Health Services	-nearest nursing station at Round Lake, 65 miles; nearest hospital at Sioux Lookout, 225 air miles
Social Services	-nearest social services available are at Sioux Lookout, 225 air miles
Fire Protection	-some equipment
Policing	-from OPP Sioux Lookout detachment, 225 air miles
Recreation	-not available
Education	
Elementary	-one day school in community
Secondary	-students board in Sioux Lookout, 225 air miles
Post-secondary	-nearest post-secondary institutions in Thunder Bay, 325 air miles
Communications	
Telephone	-Bell telephone services
Radio	-community radio
Post Office	-in community
Television	-not available

¹The information in this table was acquired from the Ministry of Northern Affairs' Northern Ontario Directory, 1979-80, and from the District Office of the Department of Indian Affairs and Northern Development in Sioux Lookout.

TABLE A.6 COMMUNITY PROFILE OF ANGLING LAKE (1979)¹

Location	Latitude/Longitude - 53N50 89W31
Access	
Air	-Float plane charters from Sioux Lookout, via Big Trout Lake, 280 air miles; marine airbase
Services	
Electricity	-diesel generator for school and teacherage only
Water	-system for school and teacherage only
Sewer	-septic field for school and teacherage only
Health Services	-nurses' aide in community; nearest nursing station at Big Trout Lake, 15 miles; nearest hospital in Sioux Lookout, 280 air miles
Social Services	-nearest social services in Sioux Lookout, 280 air miles
Fire Protection	-not available
Policing	-from Central Patricia OPP detachment, 170 air miles
Recreation	-not available
Education	
Elementary	-day school in community
Secondary	-students board in Sioux Lookout, 280 air miles
Post-Secondary	-nearest post-secondary institutions in Thunder Bay, 435 air miles
Communications	
Telephone	-Bell telephone services
Radio	-community radio
Post Office	-in community
Television	-CBC available

¹The information in this table was acquired from the Ministry of Northern Affairs' Northern Ontario Directory, 1979-80, and from the District Office of the Department of Indian Affairs and Northern Development in Sioux Lookout.

TABLE A.7 COMMUNITY PROFILE OF LONG DOG LAKE (1979)¹

Location	Latitude/Longitude - 53N28 89W12
Access	
Air	-Float plane charters from Big Trout Lake, 35 miles
Services	
Electricity	-none available
Water	-no system available
Sewer	-no system available
Health Services	-nearest nursing station at Big Trout Lake, 35 miles; nearest hospital at Sioux Lookout, 250 air miles
Social Services	-nearest social services available are at Sioux Lookout, 250 air miles
Fire Protection	-none available
Policing	-from OPP Sioux Lookout detachment, 250 air miles
Recreation	-not available
Education	
Elementary	-public school in community
Secondary	-students boarded in Sioux Lookout, 250 air miles
Post-Secondary	-nearest post-secondary institutions in Thunder Bay, 415 air miles
Communications	
Telephone	-not available
Radio	-not available
Post Office	-nearest post office at Big Trout Lake, 35 miles
Television	-not available

¹The information in this table was acquired from the Ministry of Northern Affairs' Northern Ontario Directory, 1979-80, and from the District Office of the Department of Indian Affairs and Northern Development in Sioux Lookout.

TABLE A.8 COMMUNITY PROFILE OF SIOUX LOOKOUT

Location	Latitude/Longitude - 50N06 91W55
Access	
Rail	-Canadian National Railways in community
Air	-airport equipped for night landing; Float plane base
Road	-Highway 72
Services	
Electricity	-Sioux Lookout Hydro Commission
Water	-Town of Sioux Lookout system
Sewer	-Town of Sioux Lookout system
Health Services	-clinic and two hospitals in community
Social Services	-social services in community
Fire Protection	-Town of Sioux Lookout fire station
Policing	-OPP detachment in community
Recreation	-theatre, curling rink, golf course, ball parks, community hall and indoor arena in community
Education	
Elementary	-three elementary schools in community
Secondary	-one secondary school in community
Post-Secondary	-extension courses offered in community by Confederation College and Lakehead University
Communications	
Telephone	-Bell telephone services
Radio	-CBC Northern network
Post Office	-in community
Television	-CBC available

¹The information in this table was acquired from the Ministry of Northern Affairs' Northern Ontario Directory, 1979-80, and the Ministry of Intergovernmental Affairs' Municipal Directory, 1980.

TABLE A.9 COMMUNITY PROFILE OF PICKLE LAKE (1979)¹

Location	Latitude/Longitude - 51N28 90W12
Access	
Air	-airport with paved runway at Pickle Lake; float plane base on Pickle Lake; emergency landing strip at Central Patricia
Road	-Highway 599
Services	
Electricity	-Ontario Hydro
Water	-Pickle Lake has community water system; Central Patricia has private wells
Sewer	-Pickle Lake has community sewer system; Central Patricia has private septic fields
Health Services	-clinic in community; nearest hospital in Sioux Lookout, 125 air miles
Social Services	-nearest social services available are at Ignace, 190 miles
Fire Protection	-volunteer fire brigade
Policing	-OPP detachment in Central Patricia
Recreation	-outdoor rink, ball park and community hall
Education	
Elementary	-one public school, grades 1 to 10
Secondary	-students boarded in Thunder Bay, 215 air miles
Post-Secondary	-nearest post-secondary institutions in Thunder Bay, 215 air miles; extension courses offered in community by Confederation College
Communications	
Telephone	-Bell telephone services
Radio	-CBC Northern network
Post Office	-in Central Patricia
Television	-CBC available

¹The information in this table was acquired from the Ministry of Northern Affairs' Northern Ontario Directory, 1979-80, and the Ministry of Intergovernmental Affairs' Municipal Directory, 1980.

TABLE A.10 COMMUNITY PROFILE OF HUDSON (1979)¹

Location	Latitude/Longitude - 50N05 92W10
Access	
Road	-Highway 664, 15 miles from Sioux Lookout
Air	-Float plane charters in community; nearest airstrip in Sioux Lookout, 15 miles
Rail	-Canadian National Railways in community
Services	
Electricity	-Ontario Hydro
Water	-communal system
Sewer	-private septic fields
Health Services	-nearest hospital at Sioux Lookout, 15 miles
Social Services	-nearest social services at Sioux Lookout, 15 miles
Fire Protection	-volunteer fire brigade
Policing	-policing from Sioux Lookout OPP detachment, 15 miles
Recreation	-ball park, outdoor rink, ski hill and community hall
Education	
Elementary	-one public school in community for grades 1 to 6; grades 7 and 8 bussed to Sioux Lookout, 15 miles
Secondary	-students bussed to Sioux Lookout, 15 miles
Post-Secondary	-nearest post-secondary institutions located in Thunder Bay, 230 miles
Communications	
Telephone	-Bell telephone services
Radio	-CBC Northern network
Post Office	-in community
Television	-CBC available

¹The information in this table was acquired from the Ministry of Northern Affairs' Northern Ontario Directory, 1979-80, and the Ministry of Intergovernmental Affairs' Municipal Directory, 1980.

TABLE A.11 COMMUNITY PROFILE ON SAVANT LAKE (1979)¹

Location	Latitude/Longitude - 50N14 90W43
Access	
Road	-Highway 599, 70 miles from Ignace
Air	-airstrip; summer charters in community; nearest scheduled services in Sioux Lookout, 60 miles
Rail	-Canadian National Railways in community
Services	
Electricity	-Ontario Hydro
Water	-community wells
Sewer	-private septic fields
Health Services	-nearest hospital at Sioux Lookout, 60 miles
Social Services	-nearest social services in Ignace, 70 miles
Fire Protection	-none available
Policing	-policing from Ignace OPP detachment, 70 miles
Recreation	-community hall
Education	
Elementary	-one public school in community
Secondary	-students bussed to Sioux Lookout, 60 miles
Post-Secondary	-nearest post-secondary institutions located in Thunder Bay, 190 miles
Communications	
Telephone	-Bell telephone services
Radio	-CBC Northern network
Television	-CBC available

¹The information in this table was acquired from the Ministry of Northern Affairs' Northern Ontario Directory, 1979-80, and the Ministry of Intergovernmental Affairs' Municipal Directory, 1980.

TABLE A.12 COMMUNITY PROFILE ON ALLANWATER (1979)¹

Location	Latitude/Longitude - 50N14 90W12
Access	
Rail	-Canadian National Railways, in community
Air	-emergency landing strip; float plane charters available in Savant Lake, 25 miles
Services	
Electricity	-railway workers have electricity from diesel generator
Water	-no water system
Sewer	-no sewer system
Health Services	-nearest nursing station at Armstrong, 60 miles; nearest hospital at Sioux Lookout, 80 miles
Social Services	-nearest social services at Ignace, 95 miles
Fire Protection	-no fire protection
Policing	-policing from OPP Ignace detachment, 95 miles
Recreation	-outdoor rink in community
Education	
Elementary	-one public school in community
Secondary	-secondary students board in Sioux Lookout, 80 miles
Post-Secondary	-nearest post-secondary institutions located in Thunder Bay, 215 miles
Communications	
Telephone	-Bell telephone services
Radio	-CBC Northern network
Post Office	-in community
Television	-not available

¹The information in this table was acquired from the Ministry of Northern Affairs' Northern Ontario Directory, 1979-80, and the Ministry of Intergovernmental Affairs' Municipal Directory, 1980.

APPENDIX B: A SYNOPSIS OF THE ENVIRONMENTAL ASSESSMENT ACT 1975

A. MANDATE AND RESPONSIBILITIES

The Environmental Assessment Act (1975) provides for "the protection, conservation and wise management in Ontario of the Environment".

Implementation of the Act is by regulation. The Ontario Minister of the Environment may exempt proponents or undertakings from the application of the Act.

Environment includes both the bio-physical environment, and social economic and cultural conditions which influence the life of humans or a community.

An undertaking includes enterprises or activities or proposals, plans or programs. Undertakings may be put forward for review either on a "Specific" or on a "Class" basis. "Specific" Environmental Assessment (EA), deals with individually defined undertakings. A "Class" EA provides a method of dealing with certain types of projects which have common characteristics and that are relatively small in scale, recur frequently and that have a generally predictable range of effects. The "Class" EA includes the proponent's procedures to satisfy the requirements of the Act for each project within the class.

A proponent is a provincial department, agency or a provincial public body, a municipality, or a private corporate body or individual who proposes to carry out an undertaking which requires an EA under the Act. Unless exempted, all undertakings of provincial ministries, agencies or public bodies, and all municipalities require an EA. Conversely, only those undertakings from the private sector, specially or generally designated by regulation are subject to the Act's provisions.

The Environmental Assessment Section, within the Environmental Approvals Branch, the Ministry of the Environment, has the principal responsibility for the administration of the Environmental Assessment Act.

The Act requires two major decisions:

i) acceptance of the EA i.e., that the document is an adequate one on which to base a decision regarding the approval of the undertaking.

ii) approval of the undertaking which is made either by the Ontario Minister of the Environment with Cabinet approval or by the Environmental Assessment Board, subject to alteration by Cabinet.

The Environmental Assessment Board is a permanent body consisting of a minimum of 5 members chosen from outside the Ontario public service by Cabinet for stipulated terms. The

Chairman designates a chairman and one or more members from the Board to hold a hearing when required. The Board reviews and decides either on the approval of the undertaking alone, or both the acceptance of the EA and the approval of the undertaking. The proponent or anyone else may require the Ontario Minister of the Environment to call a hearing of the Board, and the Minister must comply unless he considers the requirement to be frivolous, vexatious, or intended for delay. The Board determines its own procedures subject to Cabinet approval, provided such procedure is consistent with the Statutory Power Procedure Act. Anyone may have "standing" before the Board upon request.

B. PROCEDURES (see Diagram)

--Proponents planning an undertaking must ascertain if the Environmental Assessment Act applies by reference to published (Ontario Gazette) Orders and Regulations. This may be done in consultation with the Environmental Assessment Section of the Ontario Ministry of the Environment. If the Act does not apply, the undertaking may proceed.

--If the Act applies, the proponent must prepare an EA. The proponent is encouraged to consult with Ministry of the Environment and other provincial agencies before and during preparation. General Content Guidelines are available from the Ministry.

--The proponent files the EA with the Minister of the Environment. The Minister, through the Environmental Assessment Section, arranges for the EA's review by the Ministry of the Environment and other interested provincial ministries or agencies. The Environmental Assessment Section prepares a coordinated review based on these.

--The Minister may order the proponent to carry out further research before dealing further with the application.

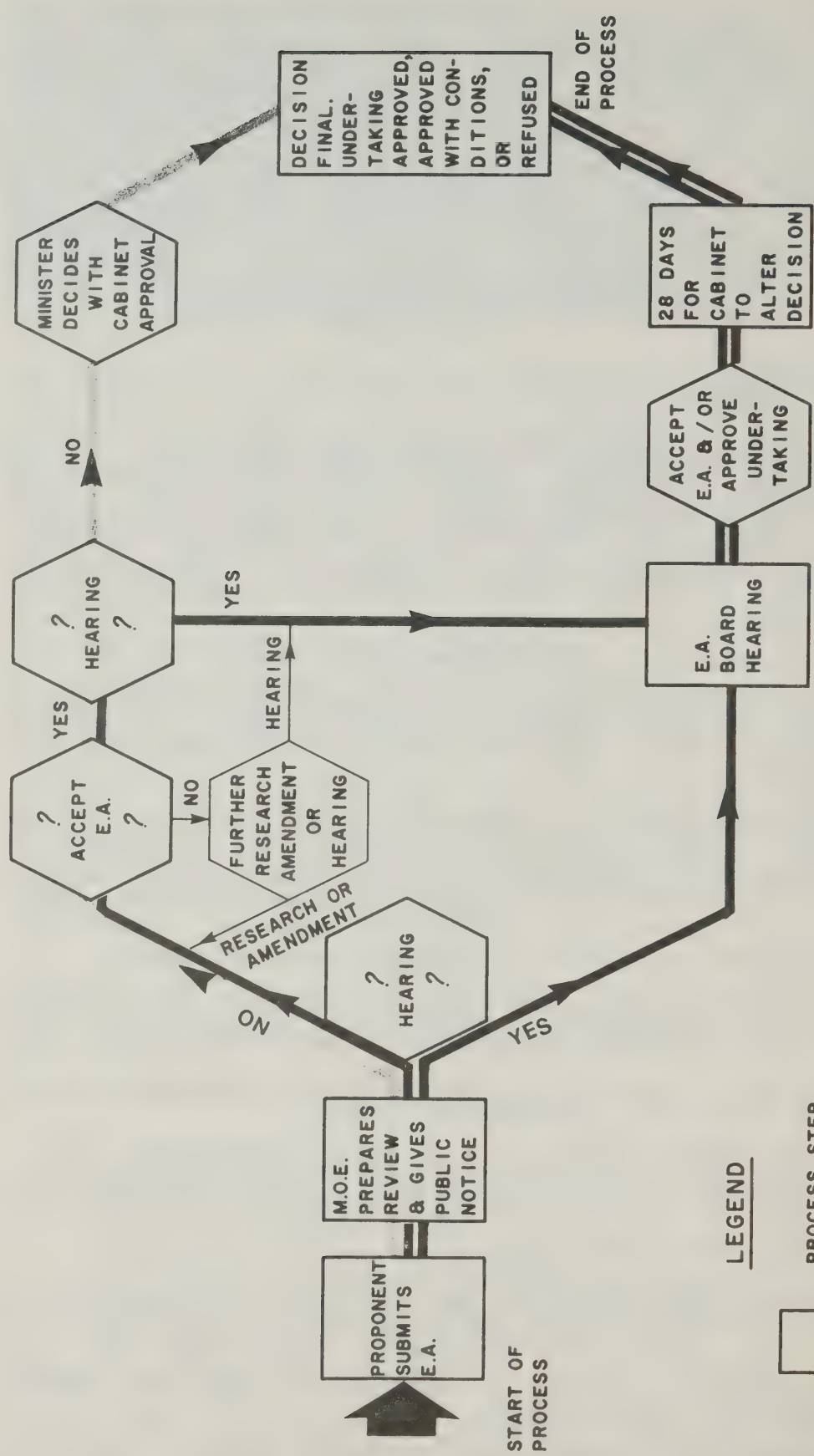
--The Provincial Minister of the Environment releases to the public the EA and its coordinated review.

--There is a 30-day minimum period during which the public, or the proponent may make submissions to the Minister, and may include a requirement for a hearing before the Environmental Assessment Board.

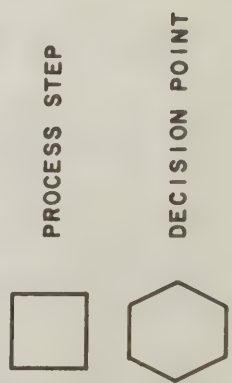
--If after the publication of the EA and its co-ordinated review, the Minister does not consider a hearing advisable and has not received a submission requiring one, the Minister decides whether to accept the EA or require amendments prior to acceptance

--If there is no request for a Board hearing and the

BASIC FLOW DIAGRAM OF THE ENVIRONMENTAL ASSESSMENT ACT 1975



LEGEND



Minister deems that Board hearings are not required, the Minister, with the concurrence of Cabinet, decides on the approval of the undertaking

--In the case where the Minister decides to accept (or amend and accept) the EA, he may send the EA to the Board for a hearing and a decision regarding the approval of the undertaking This may be either the result of the Minister's own volition, or in response to submissions from the proponent or the public requiring a hearing.

--Either of his own volition or in response to a notice requiring a hearing, the Minister may refer the matter to a Board for a hearing, and decisions on the acceptability of the EA and approval of the undertaking

--If there are Board hearings, the Board must give reasonable notice of the hearings to the Minister, the proponent and the public, particularly those who made submissions.

--The Board's hearings are open to the public except in limited situations when the Board decides sensitive financial or personal matters are involved.

--After the hearing, the Board decides on acceptance, or amendment and acceptance of the EA and the approval of the undertaking, with or without conditions, or refusal of the undertaking

--The Cabinet, within 28 days of the Board's decision, may vary or rescind the Board's decision or cause a re-hearing by the Board. The Cabinet may take these actions on its own initiative or in response to submissions or requests of the proponent or anyone of the public.

--For any undertaking subject to the Environmental Assessment Act, no licences, permits, loans, etc. under any provincial or municipal statute may be given until the requirements of the EA Act have been satisfied; and no action may be taken by the proponent to implement the undertaking.

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¹*Indicates a source from which a direct quotation was taken.

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